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GIA TZOONG ENTERPRISE CO., LTD.

2024

Annual Report

Published on Apr 18, 2025

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The Company's website: <http://www.gia-tzoong.com.tw>

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Website : <https://ecorp.ctbcbank.com/cts/index.jsp>

4. The certified public accountants who duly audited the annual financial report for the most recent year

Name of Accounting Firm : Baker Tilly Clock & Co.
Names of CPAs : LAI CHIA YU, WU HSIN LIANG
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Website: <http://www.clockcpa.com.tw/index.htm>

5. The name of any exchanges where the company's securities are traded offshore, and the method by which to access information on said offshore securities: None

6. The address of the Company's website

<http://www.gia-tzoong.com.tw/>

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I. Report to the shareholders

Dear shareholders,

I would like to report to all shareholders on our operations in 2024 as follows:

I Introduction

The Company reported operating revenues of NT\$481,720 thousand and net income after tax of NT\$ (153,391) thousand for 2024, with net income after tax of NT\$(0.92) per share.

The decrease in operating income in 2024 compared with the previous year was mainly due to the fact that the Company was in a period of transition; Gross profit margin also decreased due to unfavorable factors such as lower operating income, product mix factors and cost factors. Operating expenses increased slightly compared with the previous year, mainly due to the reversal of sluggish losses on accounts receivable in the same period last year. The biggest change was in non-operating income and expenditure, which increased compared with the previous year due to the impact of the recognition of foreign exchange benefits in 2024

Looking forward to 2025 years, innovation is one of the core values of GIA. We continue to develop new products together with customers and continuously strengthen R&D investment to meet customer needs. In recent years, the company has achieved initial results in copper-clad ceramic substrates and embedded printed circuit boards.

In terms of Environmental, Social and Governance (ESG), our strategy includes: Environmental protection: Promote green production and reduce carbon emissions and resource consumption in the production process. Social Responsibility: Pay attention to the well-being of employees, provide a safe and healthy working environment, and actively participate in charitable activities. Corporate Governance: Improve the corporate governance structure, ensure the transparency and compliance of the company's operations, and establish a good risk management mechanism.

We thank our shareholders for their support and trust, and we will continue to strive to enhance the value of the company and give back to shareholders.

II 2024 Annual Business Report

(1) Comparative analysis of operating results

1. Consolidated

Unit: NT\$ thousand

Item	2024	2023	Variation ratio
Operating revenue	481,720	496,577	-3%
Operating costs	(576,133)	(558,066)	3%
Gross operating profit	(94,413)	(61,489)	54%
Operating expenses	(96,740)	(88,810)	9%
Operating profit	(191,153)	(150,299)	27%
Non-operating revenue and expense	41,031	16,126	154%
Net profit before tax	(150,122)	(134,173)	12%
Income tax expense	(3,269)	(1,783)	83%
Net profit for current year	(153,391)	(135,956)	13%

2. Parent company-only

Unit: NT\$ thousand

Item	2024	2023	Variation ratio
Operating revenue	446,920	478,991	-7%
Operating costs	(570,851)	(555,597)	3%
Gross operating profit	(123,931)	(76,606)	62%
Operating expenses	(80,956)	(77,114)	5%
Operating profit	(204,887)	(153,720)	33%
Non-operating revenue and expense	54,348	19,104	184%
Net profit before tax	(150,539)	(134,616)	12%
Income tax expense	(2,852)	(1,717)	66%
Net profit for current year	(153,391)	(136,333)	13%

(2) Budget implementation: Does not apply

(3) Financial position and profitability analysis:

1. Financial position

(1) Consolidated

Item	Year	2024	2023
Cash inflows (outflows)		51,818	(130,301)
Debt ratio(%)		20	17
Current ratio(%)		328	503

(2) Parent company-only

Item	Year	2024	2023
Cash inflows (outflows)		45,973	(115,751)
Debt ratio(%)		20	16
Current ratio(%)		290	476

2. Profitability analysis

(1) Consolidated

Analysis item		Year	2024	2023
Profitability	Return on assets(%)		(12.30)	(9.76)
	Return on shareholders equity(%)		(15.14)	(11.71)
	Ratio to paid-in capital	Operating profit	(11.51)	(9.05)
	Ratio(%)	Net profit before tax	(9.04)	(8.08)
	Net profit margin(%)		(31.84)	(27.38)
	Earnings per share (NT\$)		(0.92)	(0.82)

(2) Parent company-only

Analysis item		Year	2024	2023
Profitability	Return on assets(%)		(12.40)	(9.92)
	Return on shareholders equity(%)		(15.14)	(11.80)
	Ratio to paid-in capital	Operating profit	(12.33)	(8.88)
	Ratio(%)	Net profit before tax	(9.06)	(4.37)
	Net profit margin(%)		(34.32)	(28.46)
	Earnings per share (NT\$)		(0.92)	(0.82)

(4) Research and development status

1. Technologies and products developed successfully

- (1) High-end (6th level or above) HDI/Any-layer circuit board products have entered the mass production stage.
- (2) DBC ceramic substrate(AlN) has completed the R&D sample test and entered the trial mass production stage.
- (3) DBC ceramic substrate(Al_2O_3) is in mass production.
- (4) Hybrid circuit board, complete R&D sample test.

2. Research and development plan for the coming year

- (1) For hybrid circuit boards, increase product structure changes and expand the scope of

market applications.

- (2) For DBC ceramic substrate(AlN), the process conditions are optimized to improve the yield and product reliability.

III Summary of 2025 Business Plan:

(I) Business Strategy

1. Technological innovation: Broaden the scope of technology, deepen the diversity of composite HDI circuit board technology, and expand the niche market.
2. Customer satisfaction: In response to the trend of high power and product modularization of customers, we meet the product needs of customers for diversified composite circuit boards, improve product quality, and provide fast and flexible services to deepen and expand the niche market
3. Cost-effective: Innovate and optimize the production process, improve yield, reduce costs, and ensure market price competitiveness.

(II) Estimated sales volume and basis

The company's products are mainly used in high-power/high-thermal conductivity device industries such as on-board systems, power drives, industrial controls, energy storage equipment, LED lighting, etc., and composite circuit boards are niche market-oriented. Based on this, the company's niche and market development trends are described as follows:

1. MCPCB (aluminum/copper): Sales of high-heat dissipation products are expected to continue to grow.
2. FR4 multilayer circuit board products: Sales of traditional FR4 multilayer circuit boards are expected to decline slightly due to fierce price competition in the market.
3. DBC ceramic substrate: Sales of traditional FR4 multilayer circuit boards are expected to decline slightly due to fierce price competition in the market.
4. Hybrid circuit boards: mainly targeting the power/communication module application market, generally using embedded technology and HDI technology, and are expected to have a significant growth.

(III) Important production and sales policies

1. Partnering with customers and co-developing new products is a strategic direction of the company, especially for hybrid circuit boards.
2. Most of the company's products are produced on an order-to-order basis to reduce the risk of inventory, and effectively configure orders to evaluate risks and rewards in real time.
3. Due to the long delivery time of raw materials, DBC ceramic substrates must be planned for an appropriate amount of annual inventory according to customer estimates and the company's production capacity.

(IV) Concerning the overall business environment:

1. Technological innovation: increase R&D investment, promote technological innovation, and enhance product competitiveness.
2. Market expansion: further expand niche markets, increase the proportion of new product revenue, and improve gross profit margin.
3. Talent training: Strengthen talent training and team building, and build a professional and efficient workforce.

In terms of the external competitive environment, we are facing competitive pressure from domestic and foreign counterparts. Changing market demands and technological advancements have placed higher demands on us. We will meet these challenges by continuously innovating and improving the quality of our products. In terms of regulatory environment, due to the increasingly stringent environmental protection requirements of the government for the printed circuit board industry, we will actively respond to ensure that the company complies with relevant regulations and standards in the production process and promote green production. In terms of the overall operating environment, global economic uncertainty and supply chain volatility have had an impact on us. We will continue to pay attention to the global economic situation and flexibly adjust our business strategies to ensure the stable development of the company.

Finally, we wish you good health and great fortune!

Chairman: Cheng An Investment Co. Ltd.

Representative: Tseng Chi-li

Chief Executive Officer: Tseng Chi-li

Chief Accounting Officer: Chan Kuan-min

II. Corporate governance report

1. Profiles of Directors, Presidents, Vice Presidents, Assistant Vice Presidents, Division Heads, and Branch Heads

(1) Profiles of Directors and Independent Directors

April 13, 2025

Title	Nationality or place of registration	Name	Gender/Age	Election (Appointment) Date	Term of office	Initial Election Date	Shares at Election		Current shareholding		Current shareholding held by spouse & minor children		Shareholding held through nominees		Principal work experience and academic qualifications	Position(s) held concurrently in the company and/or in any other company	Other officer, directors or supervisors with a spousal or other second degree of kinship			Remark
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relation	
Chairman	R.O.C.	Cheng An Investment Co., Ltd.	- 15	June 16, 2022	3 years	Aug. 22, 2008	1,242,134	0.75%	1,242,134	0.75%	0	0%	0	0		None	None	None		Note 1
		Representative - TSENG CHI LI	Male 61-70				0	0.00%	9,561,794	5.76%	819,405	0.49%	0	0	Graduated from Dept. of Law, Fu Jen Catholic University Boxin Enterprise Co., Ltd. — Business Manager	GIA TZOONG ENTERPRISE CO., LTD.- Chief Executive Officer Puyu Investment Co., Ltd.-Chairman	None	None	None	
Director	R.O.C.	LEE MAO TONG (note 2)	Male 71-80	June 16, 2022	3 years	Sep. 19, 1988	5,276,660	3.18%	5,276,660	3.18%	3,011,371	1.81%	0	0	Graduated from junior high school Po Hsin Development Technology Co., Ltd. — Chairman and President	None	None	None		
Director and Vice President of Manufacturing Division	R.O.C.	LEE WEI HSIN	Male 51-60	June 16, 2022	3 years	June 17, 2013	3,452,993	2.08%	3,452,993	2.08%	358	0.00%	0	0	Graduated from Chinese Culture University	GIA TZOONG ENTERPRISE CO., LTD.- Vice President of Manufacturing Division	None	None	None	
Independent Director	R.O.C.	WU TSENG FENG	Male 61-70	June 16, 2022	3 years	June 17, 2016	0	0.00%	0	0.00%	0	0%	0	0	Graduated from Department of Business Administration, National Chengchi University, President of Cisco International Taiwan, Ltd.	President of Taiwan Area, Veritas Technologies(Taiwan) Co., Ltd.	None	None	None	
Independent Director	R.O.C.	TAI KUO MING	Male 61-70	June 16, 2022	3 years	June 17, 2016	0	0.00%	0	0.00%	0	0%	0	0	Graduated from Dept. of Accountancy, National Cheng Kung University Stock Agency Department, Taishin International Bank- Vice President	Cheng Mei Materials Technology Corporation-Consultant	None	None	None	
Independent Director	R.O.C.	TUAN MU CHENG	Male 51-60	June 16, 2022	3 years	June 12, 2020	0	0.00%	0	0.00%	0	0%	0	0	Master of Business Administration-Drexel University, USA Certified Public Accountant of Genie Joint CPA Firm	Note 3	None	None	None	
Independent Director	R.O.C.	HUNG WEN MING	Male 61-70	June 16, 2022	3 years	June 13, 2018	0	0.00%	0	0.00%	0	0%	0	0	Dept. of Political Science, Soochow University EMBA, National ChengChi University Executive Vice President of Yuanta Life Insurance Co., Ltd.	Integrated Service Technology Inc.- Independent Director	None	None	None	

Note 1: The representative of the chairman of the Company and the CEO are the same person, which improves the efficiency of management and decision-making. Management and approval decisions are subject to the approval hierarchy rules, and all major decisions are submitted to the Board of Directors in accordance with the rules. The Company established the Audit Committee on June 16, 2022, and the number of independent directors has been increased to four seats to strengthen the supervisory function of the Board of Directors. More than half of the directors do not concurrently serve as employees. Please refer to the positions in affiliated companies specified in the special recorded items of this annual report (page 87) for details.

Note 2: The director LEE MAO TONG was initially appointed in September 1988, dismissed in April 2002, and elected on June 17, 2016 , resigned on June 27, 2024

Note 3: Certified Public Accountant of Jing Hua Accounting Firm

- Tainan Enterprise Co., Ltd.- Independent Director
- Oriental System Technology Inc.-Independent Director
- Wits Academy Co., Ltd.-Director
- Xinyue Biotechnology Co., Ltd.-Director
- E&T Venture Co., Ltd.-Director
- RICOTTA Industry Co., Ltd.-Director
- Chung Shing Textile Co., Ltd.- Director
- Supervisor of Golden Circles Design Company
- Supervisor of Aquarium Division Ministry CO., LTD.
- Supervisor of Real Good Information Inc.
- Supervisor of Taiwan Fulida International Co., Ltd.

(2) Major shareholders of corporate shareholder

April 13, 2025

Name of corporate shareholder	Major shareholders of corporate shareholder
CHENG AN INVESTMENT CO., LTD.	YU MIN HUI (50%), KENG TING(50%)

(3) Disclosure of Professional Qualifications of Directors and Independent Directors and Independence of Independent Directors

1. Professional Qualifications of Directors and Independent Directors

Name	Conditions	Professional qualifications and experience	Independent status	Number of other public companies in which the individual is concurrently serving as independent director
Chairman: Cheng An Investment Co., Ltd.		1. A professional investment institution 2. He is not under any circumstances specified in the provisions of Article 30 of the Company Act.	Not applicable	0
Director: LEE MAO TONG (Note 2)		1. GIA TZOONG ENTERPRISE CO., LTD.-President 2. He is not under any circumstances specified in the provisions of Article 30 of the Company Act.	Not applicable	0
Director: LEE WEI HSIN		1. GIA TZOONG ENTERPRISE CO., LTD.-Vice President of Manufacturing Division 2. He is not under any circumstances specified in the provisions of Article 30 of the Company Act.	Not applicable	0
Independent Director: WU TSENG FENG		1. President of Cisco International Taiwan, Ltd. 2. President of Taiwan Area, Veritas Technologies(Taiwan) Co., Ltd. 3. He is not under any circumstances specified in the provisions of Article 30 of the Company Act.	Complied with the provisions of the various subparagraphs of Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies (Note 1)	0
Independent Director: TAI KUO MING		1. Chief Financial Officer, Finance Department, Headquarters, Taiwan Securities Co., Ltd. 2. Vice President of Stock Agency Department, Taishin International Bank 3. Consultant of Cheng Mei Materials Technology Corporation 4. He is not under any circumstances specified in the provisions of Article 30 of the Company Act.	Complied with the provisions of the various subparagraphs of Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies (Note 1)	0
Independent Director: TUAN MU CHENG		1. Certified Public Accountant of Jing Hua Accounting Firm 2. Independent Director of Oriental System Technology Inc. 3. Independent Director-Tainan Enterprise Co., Ltd. 4. He is not under any circumstances specified in the provisions of Article 30 of the Company Act.	Complied with the provisions of the various subparagraphs of Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies (Note 1)	2
Independent Director: HUNG WEN MING		1. Executive Vice President of Yuanta Life Insurance Co., Ltd. 2. Independent Director of Integrated Service Technology Inc. 3. He is not under any circumstances specified in the provisions of Article 30 of the Company Act.	Complied with the provisions of the various subparagraphs of Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies (Note 1)	1

Note 1: According to Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, “During the two years before being elected or during the term of office, an independent director of a public company may not have been or be any of the following:

1. An employee of the company or its affiliates.
2. A director or supervisor of the company or any of its affiliates.
3. A natural-person shareholder who holds shares, together with those held by the person’s spouse, minor children, or held by the person under others’ names, in an aggregate of one percent or more of the total number of the total number of issued shares of the company or ranking in the top 10 in holdings.
4. A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
5. A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.
6. If a majority of the company’s director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.
7. If the chairman, president, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.
8. A director, supervisor, managerial officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.
9. A professional individual who, or an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.”

Note 2: Director Li Maotang resigned on Jun. 27, 2024.

2. Diversity and independence of the Board:

(1) Board Diversity Policy:

In order to achieve sustainable and balanced development as well as increasing diversity of the Board of Directors, when setting the composition of the Board of Directors, in addition to ensuring that the number of the directors who are also managers of the Company shall not exceed one third of the director seats, the Company also considers the diversity of the Board of Directors from various aspects, including but not limited to the gender, age, culture, educational background, ethnicity, professional experience, skills, knowledge, and field of work. Members of the Board of Directors shall generally possess the knowledge, skills and literacy necessary to perform their duties. In order to achieve the ideal goal of corporate governance, the overall Board of Directors possesses the following capabilities:

- 1) Judgment on operation.
- 2) Accounting and financial analysis.
- 3) Operations management.
- 4) Crisis handling.
- 5) Industrial knowledge.
- 6) International market outlook.
- 7) Leadership.
- 8) Decision making.

Currently, the Company’s Board of Directors has a total of seven directors (including four independent directors). Regarding the overall composition of the Board of Directors, it is composed of different genders, ages, professional knowledge and backgrounds, with the members possessing extensive experience and expertise in the areas of operations management, leadership, decision making, industry knowledge, finance and accounting, law, international outlook, etc. The relevant implementation status is as follows:

Diversity Core Item/ Name of Director	Gender	Age			Operations management	Leadership decision making	Industrial knowledge	Financial and accounting	Law	international outlook
		51-60	61-70	71-80						
Cheng An Investment Co., Ltd./TSENG CHI LI	Male		v		v	v	v	v	v	v
LEE MAO TONG (Note1)	Male			v	v	v	v	v		
LEE WEI HSIN	Male	v			v	v	v			
TAI KUO MING	Male		v		v	v		v		
WU TSENG FENG	Male		v		v	v				v
TUAN MU CHENG	Male	v			v	v	v	v		v
HUNG WEN MING	Male		v		v	v		v		

Note 1: Director Li Maotang resigned on Jun. 27, 2024.

Specific Diversity Policy Objectives of the Board of Directors of the Company:

In addition to the consideration of the company's daily management and operation needs. More than 30% of all directors have professional status in the PCB industry. It is expected to be in line with the principles of corporate governance and to make the functions of independent directors more effective, Therefore, the proportion of independent directors with professional fields such as accounting, leadership decision-making, and operation management is more than 30%, We will move towards advocating a policy of diversity among directors and achieving one-third of the seats on the Board of Directors of any gender in order to improve the Board structure of the Company.

Achievement of Diversity Policy:

There are 6 directors and independent directors of the Company, 2 of whom have professional experience in PCB, In line with the company's principle of selecting directors with the PCB industry as the main body, and there are 4 independent directors, who also have rich industry experience and financial and accounting related knowledge, Supplemented by the professional and experienced business judgment ability, accounting and financial analysis ability, operation management ability, crisis management ability and decision-making ability of each director, the overall board of directors is the industry-leading in the core area of the PCB industry, The term of office of the directors of the Company expired on June 15, 2025, However, there are currently no female (independent) directors on the Board of Directors of the Company, In the future, we will actively seek suitably qualified persons to serve as directors of the Company in order to meet the requirement of one-third of directors of any gender, It is hoped that the Company's Board of Directors will have the desired goal of professional diversity and gender diversity.

(2) Board independence:

Currently, the Company has four independent directors, accounting for 57% of all directors. All four independent directors meet the requirements for independence. No directors of the Company are spouses or relatives within the second degree of kinship, and the operation of the Board of Directors is independent.

(4) Profiles of Presidents, Vice Presidents, Assistant Vice Presidents, Division Heads, and Branch Heads

April 13, 2025

Title	Nationality	Name	Gender	Election (Appointment) Date	Shareholding		Shareholding held by spouse & minor children		Shareholding held through nominees		Principal work experience and academic qualifications	Position(s) held concurrently in any other company	Manager with a spousal or other second degree of kinship			Remark
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Sharehol ding ratio			Position	Name	Relationship	
Representative of the Chairman and Chief Executive Officer	R.O.C.	TSENG CHI LI	Male	June 28, 2007	9,561,794	5.76%	819,405	0.49%	0	0%	Graduated from Dept. of Law, Fu Jen Catholic University Boxin Enterprise Co., Ltd. — Business Manager	GIA TZOONG ENTERPRISE CO., LTD.-Chief Executive Officer Puyu Investment Co., Ltd.- Chairman	None	None	None	Note 1
President	R.O.C.	HSIAO MING YANG	Male	Mar. 22, 2023	0	0%	418,000	0.25%	0	0%	Graduated from Dept. of Electrical Engineering, National Cheng Kung University C SUN MFG. LTD.	None	None	None	None	
Vice President	R.O.C.	LEE WEI HSIN	Male	Nov. 9, 2015	3,452,993	2.08%	358	0.00%	0	0%	Graduated from Chinese Culture University GIA TZOONG ENTERPRISE CO., LTD.	None	None	None	None	
Assistant Vice Presidents	R.O.C.	CHAN KUAN MIN	Male	Nov. 9, 2015	0	0%	0	0%	0	0%	Graduated from Dept. of Finance, National Sun Yat- sen University Signality System Engineering Co., Ltd.-Financial Manager	None	None	None	None	
Assistant Vice Presidents	R.O.C.	YU HSIU WEN	Male	Nov. 9, 2015	0	0%	0	0%	0	0%	Graduated from Tamkang University Printed Wire Corporation	None	None	None	None	

Note 1: The representative of the chairman of the Company and the CEO are the same person, which improves the efficiency of management and decision-making. Management and approval decisions are subject to the approval hierarchy rules, and all major decisions are submitted to the Board of Directors in accordance with the rules. The Company established the Audit Committee on June 16, 2022, and the number of independent directors was increased to four seats to strengthen the supervisory function of the Board of Directors. More than half of the directors do not concurrently serve as employees. Please refer to the positions in affiliated companies specified in the special recorded items of this annual report (page 87) for the details.

2. Remuneration paid during the most recent year to directors, president and vice president

(1) Remuneration to general directors and independent directors

Dec. 31, 2024 Unit: thousand shares /NT\$ thousand

Title	Name	Remuneration to Directors										Remuneration to the capacity as employees										The sum of A, B, C, D, E, F and G and proportion to net profit after tax		Remuneration received from an invested company other than the company's subsidiary or parent company
		Remuneration (A)		Pension(B)		Remuneration to directors (C)		Business execution expenses (D)		The sum of A, B, C and D and proportion to net profit after tax		Salaries, bonus and special disbursement(E)		Pension(F)(Note 1)		Compensation to employees (G)								
		The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company		All companies mentioned in the financial statements		The Company	All companies mentioned in the financial statements			
Chairman	Cheng An Investment Co., Ltd. Representative-TSENG CHI LI (concurrently serve CEO)	960	960	0	0	0	0	150	150	1,110 -0.72%	1,110 -0.72%	5,327	8,900	0	0	0	0	0	0	6,437 -4.20%	10,010 -6.53%	None		
Director	LEE MAO TONG (Note 1)	480	480	0	0	0	0	75	75	555 -0.36%	555 -0.36%	0	0	0	0	0	0	0	0	555 -0.36%	555 -0.36%	None		
Director (concurrently serve Vice President of Manufacturing Division)	LEE WEI HSIN	120	120	0	0	0	0	145	145	265 -0.17%	265 -0.17%	2,1995	2,199	0	0	0	0	0	0	2,464 -1.61%	2,464 -1.61%	None		
Independent Director	WU TSENG FENG	240	240	0	0	0	0	150	150	390 -0.25%	390 -0.25%	0	0	0	0	0	0	0	0	390 -0.25%	390 -0.25%	None		
Independent Director	TAI KUO MING	240	240	0	0	0	0	150	150	390 -0.25%	390 -0.25%	0	0	0	0	0	0	0	0	390 -0.25%	390 -0.25%	None		
Independent Director	TUAN MU CHENG	240	240	0	0	0	0	150	150	390 -0.25%	390 -0.25%	0	0	0	0	0	0	0	0	390 -0.25%	390 -0.25%	None		
Independent Director	HUNG WEN MING	240	240	0	0	0	0	150	150	390 -0.25%	390 -0.25%	0	0	0	0	0	0	0	0	390 -0.25%	390 -0.25%	None		

Note 1: Director LEE MAO TONG resigned on Jun. 27, 2024

Note 2: The independent director remuneration payment policy, system, criteria, and structure; and their relationship with the amount of remuneration paid according to the responsibilities borne, risks, time invested and other factors: Independent directors' remuneration is paid in accordance with the Company's remuneration payment guidelines, including the remuneration and expenses for business implementation. The remuneration is paid according to the fixed amount approved by the Board of Directors, and the business execution expenses refer to the attendance fee (see page 15 for reference).

Note 3: In addition to the disclosure in the above table, the remuneration received by the director of the Company in the most recent year for providing services (such as serving as a consultant but not as an employee for the parent company / all companies mentioned in the financial statements / reinvested companies, etc.): None.

(2) Remuneration to President and Vice Presidents

Dec. 31, 2024 Unit: thousand shares /NT\$ thousand

Title	Name	Salaries (A)		Pension (B) (Note 1)		Bonus and special disbursement (C)		Remuneration to the employees (D)				The sum of A, B, C and D and proportion to net profit after tax (%)		Remuneration received from an invested company other than the company's subsidiary or parent company
		The Company	All companies mentioned in the financial reports	The Company	All companies mentioned in the financial reports	The Company	All companies mentioned in the financial reports	The Company		All companies mentioned in the financial reports		The Company	All companies mentioned in the financial reports	
								Cash	Stock	Cash	Stock			
Chief Executive Officer	TSENG CHI LI	5732	9305	0	0	705	705	0	0	0	0	6,437 -4.20%	10,010 -6.53%	None
President	HSIAO MING YANG	2,781	2,781	108	108	255	255	0	0	0	0	3,144 -2.05%	3,144 -2.05%	None
Vice President	LEE WEI HSIN	2,257	2,257	0	0	207	207	0	0	0	0	2,464 -1.61%	2,464 -1.61%	None

Note 1: The pension in this table refers to the amount appropriation that will be expensed in 2024.

(3) The top five executives with the highest remuneration in the Company

Dec. 31, 2024 Unit: thousand shares /NT\$ thousand

Title	Name	Salaries(A)		Pension(B) (Note 1)		Bonus and special disbursement (C)		Remuneration to the employees (D)				The sum of A, B, C and D and proportion to net profit after tax (%)		Remuneration received from an invested company other than the company's subsidiary or parent company
		The Company	All companies mentioned in the financial reports	The Company	All companies mentioned in the financial reports	The Company	All companies mentioned in the financial reports	The Company		All companies mentioned in the financial reports		The Company	All companies mentioned in the financial reports	
								Cash	Stock	Cash	Stock			
Chief Executive Officer	TSENG CHI LI	5,732	9,305	0	0	705	705	0	0	0	0	6,437 -4.20%	10,010 -6.53%	None
President	HSIAO MING YANG	2,781	2,781	108	108	255	255	0	0	0	0	3,144 -2.05%	3,144 -2.05%	None
Vice President	LEE WEI HSIN	2,257	2,257	0	0	207	207	0	0	0	0	2,464 -1.61%	2,464 -1.61%	None
Assistant Vice President of Management Division	CHAN KUAN MIN	1,273	1,273	78	78	125	125	0	0	0	0	1,476 -0.96%	1,476 -0.96%	None
Assistant Vice President of Quality Assurance Division	YU HSIU WEN	966	966	63	63	109	109	0	0	0	0	1,138 -0.74%	1,138 -0.74%	None

Note 1: The pension in this table refers to the amount appropriation that will be expensed in 2024.

(4) The name of the managerial officer with distributed employee remuneration, and the distribution status

Dec. 31, 2024; Unit: NT\$ thousand

	Title	Name	Amount of stock bonus	Amount of cash bonus	Total	Percentage of the total amount in the net profit after tax (%)
Managerial officer	Chief Executive Officer	TSENG CHI LI	0	0	0	0%
	President	HSIAO MING YANG				
	Director concurrently serve Vice President of Manufacturing Division	LEE WEI HSIN				
	Assistant Vice Presidents of Busienss Division(Note)	CHENG CHEN HAI				
	Assistant Vice President of Quality Assurance Division	YU HSIU WEN				

(5) Comparison and explanation of the proportion of the total amount of remuneration paid to the Company's directors, supervisors, president, and vice president over the last 2 years to the net profit after tax for the Company and for all the companies mentioned in the consolidated financial statements, respectively; along with an explanation of the policies, standards, packages, and procedure for determining the remuneration, and the relationships with operating performance and future risks.

Item \ Title	The Company				All companies mentioned in the financial statements			
	2023		2024		2023		2024	
	Total	Proportion to net profit after tax	Total	Proportion to net profit after tax	Total	Proportion to net profit after tax	Total	Proportion to net profit after tax
Remuneration to directors	11,881	-8.71%	11,016	-7.18%	14,929	-10.95%	14,589	-9.51%
Remuneration to president and vice president	10,871	-7.97%	12,045	-7.85%	13,920	-10.21%	15,618	-10.18%
Net profit after tax	-136,333		-153,391	-	-136,333		-153,391	-

Note: This table includes the amount appropriated for expensed resignation benefits and pensions.

The Company's payment of remuneration to directors is based on the Company's Articles of Incorporation (see page 59-60) as well as the Company's remuneration payment guidelines, and the Board of Directors is authorized to determine the remuneration based on the level of participation and contribution of directors to the Company's operations, taking into account the common standard in the peer industry.

The Company's president, vice president, and managerial officers are employees under the organizational structure of the Company and are paid according to the Company's salary system. The salary is determined based on their educational background, work experience, performance, work seniority, etc. in accordance with the Company's Articles of Incorporation and approval authority. In case of bonuses, they shall also be paid according to the distribution ratio of employee bonuses.

The main reason for the reduction in the proportion of the total remuneration of the directors, president, and vice president to the net profit after tax this year is the change in the directors and supervisors. The Company's bonus distribution is based on the individual's achievement rate of the Company's operating goals and takes the Company's overall operating performance into account as the distribution criteria, which is directly and positively related to the Company's operating performance.

Item \ Status	Remuneration policies, standards, packages, and procedure for determining the remuneration		Correlation with operating performance	Correlation with future risks
	Director	President, vice president, and managerial officer		
Transport allowance	According to the Company's remuneration payment guidelines	—	Unrelated	Unrelated
Salary	According to the Company's remuneration payment guidelines	According to the Company's salary method	Unrelated	Unrelated
Bonus	—	According to the Company's bonus payment guidelines	Directly and positively related	Unrelated
Surplus distribution for director and supervisor remuneration	As detailed in the Company's dividend policy	—	Directly and positively related as detailed in the dividend policy	Unrelated
Surplus distribution for employee remuneration	—	As detailed in the Company's dividend policy	Directly and positively related as detailed in the dividend policy	Unrelated

3. Corporate governance practices

(1) Operation of the Board of Directors

1. A total of 6 board meetings were held in 2024. The attendance status of the directors is as follows:

Title	Name	Actual number of attendance	Attend through proxy	Actual attendance rate(%)	Remark
Chairman	CHENG AN INVESTMENT CO., LTD. Representative - TSENG CHI LI	6	0	100.00%	
Director	LEE MAO TONG	3	0	50.00%	Resigned on Jun. 27, 2024
Director	LEE WEI HSIN	5	0	83.33%	
Independent Director	WU TSENG FENG	6	0	100.00%	
Independent Director	TAI KUO MING	6	0	60.00%	
Independent Director	TUAN MU CHENG	6	0	100.00%	
Independent Director	HUNG WEN MING	6	0	100.00%	

Other matters to be recorded:

- If case the operation of the Board of Directors is in any of the following circumstances, the Board of Directors meeting date, session, content of the proposal, opinions of all the independent directors, and the Company's handling of the opinions of the independent directors shall be clearly stated:
 - Items listed in Article 14-3 of the Securities and Exchange Act: The company has established an audit committee, which applies to the matters listed in Article 14-5 of the Securities and Exchange Act. This item does not apply.
 - Apart from the aforementioned matters, other resolutions of the Board of Directors that have been objected to or reserved by independent directors with records or written statements: None.

2. For the implementation status of director recusal from proposals due to conflicts of interest, the director's name, content of the proposal, reasons for recusal due to conflicts of interest, and participation status in the voting shall be clearly stated:

Sessions of the Board of Directors	Name of director who recuses from interest	The content of the motion	Reasons should be avoided by interests	Voting situation
The 9th meeting of the 10th session (Jan. 17, 2024).	TSENG CHI LI	Applied for the settlement of the old system	for the parties to the motion	It was approved by all the directors present with the right to vote.
	TSENG CHI LI, LEE WEI HSIN	The company's 2023 annual manager year-end bonus case	At the same time, he has the status of a manager	It was approved by all the directors present with the right to vote.
	TSENG CHI LI, LEE WEI HSIN	The company's 2024 annual manager salary adjustment case	At the same time, he has the status of a manager	It was approved by all the directors present with the right to vote.

3. Information on the evaluation cycle and period, evaluation scope, method, and evaluation content of the Board of Directors' self (or peer) evaluation, and the implementation status of the board evaluation:

The Company's Board of Directors passed the "Board of Directors Performance Evaluation Guidelines" in 2016, and conducts the performance evaluation of the Board of Directors for the previous year in January every year. The targets of evaluation in 2024 included the overall operation of the Board of Directors, the Compensation and Remuneration Committee, the Audit Committee, and the performance of individual directors. The implementation content is set out in the table below. In 2024, the Company adopted an internal self-assessment method to conduct the performance evaluation of the Board of Directors, individual directors, the Remuneration Committee and the Audit Committee, and the self-evaluation results were all "excellent" to "outstanding", indicating that the directors and members have a positive evaluation of the efficiency and effectiveness of the operation of the Board of Directors, the Remuneration Committee and the Audit Committee, and the overall operation should be good, and the operation efficiency of the Board of Directors, the Remuneration Committee and the Audit Committee will continue to be improved and has been presented with the report of the Board of Directors dated March 12, 2025.

Implementation Status of Board Evaluation

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content	Evaluation result
Once a year	Jan. 1, 2024 to Dec. 31, 2024	Board of Directors	Board self-evaluation	1. Level of participation in the Company's operations. 2. Improving board decision making quality. 3. Composition and structure of the Board of Directors. 4. Selection and continuing education of directors. 5. Internal control.	The overall score was 4.83 points out of the total score of 5 points, and the evaluation results ranged from "excellent" to "outstanding".
		Individual directors	Board member self-evaluation	1. Mastering the Company's goals and tasks. 2. Cognition of director responsibilities. 3. Level of participation in the Company's operations. 4. Internal relationship management and communication. 5. Professional and continuing education of directors. 6. Internal control.	The overall score was 4.96 points out of the total score of 5 points, and the evaluation results ranged from "excellent" to "outstanding".

		Functional committee (Remuneration Committee/Audit Committee)	Functional committee self-evaluation	1. Level of participation in the Company's operations. 2. Cognition of the responsibilities of the functional committees. 3. Improving the decision making quality of the functional committees. 4. Composition and selection of members of the functional committees. 5. Internal control.	Remuneration Committee The overall score was 4.95 points out of the total score of 5 points, and the evaluation results were "excellent" to "outstanding". Audit Committee The overall score was 5 points out of the total score of 5 points, and the evaluation results were "outstanding"
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4. Objectives for strengthening the functions of the Board of Directors in the current year and the most recent year (such as setting up the audit committee, and improving information transparency) and the evaluation of its implementation status:

- (1) The Company has formulated the "Rules of Procedure for Board of Directors Meetings" in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies", and filed the director attendance status on the Market Observation Post System in accordance with regulations. According to the statistics, the total number of education and training hours for directors and independent directors in 2024 was 42 hours. In 2024, all the independent directors of the Board of Directors attended in person or by proxy; as of the publication date of the annual report in 2025, all the independent directors attended the two board meetings in person or by delegate.
- (2) The Company has set up the Compensation and Remuneration Committee and formulated the "Board of Directors Performance Evaluation Guidelines". The committee is in charge of assisting the Board of Directors in the periodic evaluation and determination on the remuneration of directors and managerial officers, and regularly reviewing the policies, systems, criteria, and structures of performance evaluation and remuneration of directors and managerial officers.
- (3) On December 12, 2017, the Company's Board of Directors approved the formulation of the "Board Diversity Policy". When setting the composition of the Board of Directors, the Company considers the diversity of board members from various aspects, including but not limited to the gender, age, culture, educational background, ethnicity, professional experience, skills, and knowledge or field of work, in order to improve the Company's operating performance and management efficiency.
- (4) The Company established the Audit Committee on June 16, 2022 to exercise the functions and powers stipulated in the Securities and Exchange Act, the Company Act, and other laws and regulations, and to assist the Board of Directors in performing its supervision over the quality and level of integrity relating to the Company's implementation of accounting, auditing, financial reporting processes, and financial control. For the operating status of the Audit Committee, please refer to pages 20-21 of this annual report.

2. Continuing education for directors, independent directors for the year 2024

Title	Name	Course date	Organizers	Course Title	Course hours
Chairman Director	Cheng An Investment Co., Ltd. Representative-TSENG CHI LI	Sep. 12, 2024	Taipei Exchange	Insider equity publicity briefing for OTC and OTC companies	3
		Nov. 13, 2024	Securities & Futures Institute	Challenges and opportunities of sustainable development pathways and introduction to greenhouse gas inventory	3
		Dec. 04, 2024	Securities & Futures Institute	Sustainable Development Committee and Symposium on Sustainable Development	3
		Dec. 25, 2024	Securities & Futures Institute	Listed Firms - Expanding the Asset Management Landscape in Asia with Derivatives Seminar	3
Director	LEE WEI HSIN	May. 21, 2024	Securities & Futures Institute	Challenges and opportunities of sustainable development pathways and introduction to greenhouse gas inventory	3
		Sep. 19, 2024	Securities & Futures Institute	Silicon Photonics Defined Networks: Trends in Silicon Photonics (SiPh) and Co-Packaged Optics (CPO).	3
Independent Director	WU TSENG FENG	Nov. 13, 2024	Securities & Futures Institute	Operational practices of the Audit Committee	3
		Nov. 13, 2024	Securities & Futures Institute	Challenges and opportunities of sustainable development pathways and introduction to greenhouse gas inventory	3
Independent Director	TAI KUO MING	Mar. 05, 2024	Taiwan Corporate Governance Association	Disclosure of material information of the company and responsibilities of directors and supervisors	3
		Aug. 28, 2024	Taiwan Corporate Governance Association	Perspectives on the responsibilities of directors and supervisors: corporate governance from the KY case	3
Independent Director	TUAN MU CHENG	Mar. 08, 2024	The National Federation of CPA Associations of the R.O.C.	Organizational Greenhouse Gas Inventory Report Writing Practices. Highlights of the Organizational Greenhouse Gas Inventory Standard (ISO 14064-1:2018)	6
Independent Director	HUNG WEN MING	Apr. 26, 2024	Taiwan Corporate Governance Association	Insider trading prevention and response	3
		Dec. 26, 2024	Taiwan Corporate Governance Association	Changing the World with Investment - Impact Investing and the Practice of SDGs	3

(2) Operation of the Audit Committee

A total of 5 Audit Committee meetings (A) were held in the most recent year (2024). The attendance status of the independent directors is as follows:

Title	Name	Actual number of attendance (B)	Attend through proxy	Actual attendance rate (%) (B/A)	Remark
Convener	WU TSENG FENG	5	0	100%	
Member	TAI KUO MING	5	0	100%	
Member	TUAN MU CHENG	5	0	100%	
Member	HUNG WEN MING	5	0	100%	

Other matters to be recorded:

- In case of any of the following circumstances in the operation of the Audit Committee, the Audit Committee meeting date, session, content of proposals, independent directors' opinions of objection, reservation or major advice items and contents, Audit Committee resolutions, and the Company's handling of the Audit Committee's opinions shall be clearly stated.

(1) Items listed in Article 14-5 of the Securities and Exchange Act:

Meeting date	Important resolutions	Audit Committee's resolutions and the Company's handling of the Audit Committee's opinions
The 7rd meeting of the 1st session (Mar. 13, 2024)	1. The company's 2023 annual internal control system statement case.	All the members present agreed to approve it and submitted it to the Board of Directors, Approved with the consent of all directors present.
	2. The Company's 2023 annual business report and financial statements.	
	3. Prepare the company's 2023 annual loss compensation case.	
	4. The Company's accounts receivable and overdue payments other than accounts receivable as of the end of December 2023 are not in the nature of capital loans.	
	5. The Company acquired or disposed of machinery and equipment for business use.	
	6. Cooperate with the internal rotation of Baker Tilly Clock & Co. to replace the audit accountant of the company's financial reports.	
	7. The Company assesses the independence and competence of the certified public accountants.	
	8. The name of the Company's "Corporate Social Responsibility Best Practice Principles" is "Best Practice Principles for Sustainable Development" and some of the provisions.	
The 8th meeting of the 1st session (May. 9, 2024)	1. The first draft of the Company's 2024 Q1 consolidated financial statements and notes were revealed.	All the members present agreed to approve it and submitted it to the Board of Directors, Approved with the consent of all directors present.
	2. 2024 years of accountant remuneration case of Baker Tilly Clock & Co.	
	3. The company's accounts receivable and overdue amounts other than accounts receivable as of the end of March 2024 are not in the nature of capital loans.	
	4. The Company acquired or disposed of machinery and equipment for business use.	
The 9th meeting of	1. The company's 2nd quarter 2024 consolidated	All the members present

the 1st session (Aug. 8, 2024)	financial statements and notes revealed the first draft.	agreed to approve it and submitted it to the Board of Directors, Approved with the consent of all directors present.
	2. As of the end of June 2024, the company's accounts receivable and overdue amounts other than accounts receivable are not in the nature of capital loans.	
	3. The Company acquired or disposed of machinery and equipment for business use.	
	4. Amendments to the Company's "Accountants Independence and Competency Assessment Regulations".	
	5. Formulated the company's "Sustainability Report Preparation and Verification Operating Procedures".	
The 10th meeting of the 1st session (Sep. 11, 2024)	1. Invested in SUNPOWER SMART ENERGY CO., LTD.	All the members present agreed to approve it and submitted it to the Board of Directors, Approved with the consent of all directors present.
The 11th meeting of the 1st session (Nov. 8, 2024)	1. The Company's consolidated financial statements and notes for the third quarter of 2024 revealed the first draft.	All the members present agreed to approve it and submitted it to the Board of Directors, Approved with the consent of all directors present.
	2. The company's accounts receivable and overdue amounts other than accounts receivable as of the end of September 2024 are not in the nature of capital loans.	
	3. The Company acquired or disposed of machinery and equipment for business use.	
	4. Cooperate with the internal rotation of Baker Tilly Clock & Co. to replace the audit accountant of the company's financial reports.	
	5. Added the case of "Management of Sustainability Information" in Chapter 11 "Other Management Control Systems" of Chapter 11 of the Company's Internal Control and Internal Audit System.	
	6. The company's 2025 annual audit plan.	
	7. 2025 annual audit plan of each subsidiary of the Company.	
	8. Part of the company's "internal material information processing operating" procedures.	
	9. Amendments to the provisions of the "Procedures for Obtaining or Disposing of Assets" of the subsidiary (Park Royal Investment).	
	10. (Park Yu Investment) Investment in Rising Smart Energy Co., Ltd.	
	11. Invested in SUNPOWER SMART ENERGY CO., LTD.	
(2) Apart from the aforementioned matters, other resolutions that have not been approved by the Audit Committee but approved by two thirds or more of all the directors: None.		
2. For the implementation status of the independent director’s recusal from proposals due to conflicts of interest, the name of the independent director, the content of the proposal, the reason for the recusal out of conflicts of interest, and the participation status in the voting shall be clearly stated: None.		

3. Communication status between the independent directors, internal audit supervisors, and certified public accountants:

(1) On Mar. 12, 2025, the certified public accountants carried out the communication matters with the directors and independent directors of the Company on governance units, and the auditors issued an auditor's independence statement in 2024. The financial status of the Company and its overseas subsidiaries, communication on key audit matters, overall operations, and the internal control status were reported to the directors and independent directors, and full communication was conducted on whether there were major adjusting journal entries and whether accounting and audit issues or amendments to laws and regulations affected the accounting situation. The implementation status was good, which is described as follows:

Date	Communication matters		Communication results	
	Cause	Independent director's advice	Results	The Company's handling and implementation status
Mar. 12, 2025 Corporate governance meeting	The certified public accountant explained the impact of the 2024 financial report audit result on the financial report, and discussed and communicated with the meeting attendees on questions raised.	None	Acknowledged by all the independent directors in attendance	Further submitted to the Board of Directors, and the announcement and filing of the 2024 financial report was completed on Mar. 12, 2025.

(2) The internal audit has conducted the audit operation communication meeting with the independent directors in the most recent year as follows:

Date	Communication matters		Communication results	
	Cause	Independent director's advice	Results	The Company's handling and implementation status
Mar. 13, 2024 Pre-conference board meeting	1. The Audit Office reported on the matters found in the Q4 2023 audit as well as the subsequent tracking and improvement, and discussed and communicated on the issues raised by the independent directors attending the meeting.	None	Acknowledged by all the independent directors attended the meeting	Further submitted to the Board of Directors on Mar. 13, 2024 and approved by all the directors.
	2. Issued the Company's 2023 "Statement of Internal Control System".			
May. 9, 2024 Pre-conference board meeting	1. The Audit Office reported on the matters found in the Q1 2024 audit as well as the subsequent tracking and improvement, and discussed and communicated on the issues	None	Acknowledged by all the independent directors attended the meeting	Further submitted to the Board of Directors on May 9, 2024 and approved by all the directors.

		raised by the independent directors attending the meeting.				
Aug. 8, 2024 Pre-conference board meeting	1.	The Audit Office reported on the matters found in the Q2 2024 audit in as well as the subsequent tracking and improvement, and discussed and communicated on the issues raised by the independent directors attending the meeting.	None	Acknowledged by all the independent directors attended the meeting	Further submitted to the Board of Directors on Aug. 8, 2024 and approved by all the directors.	
Nov. 8, 2024 Pre-conference board meeting	1.	The Audit Office reported on the matters found in the Q3 2024 audit as well as the subsequent tracking and improvement, and discussed and communicated on the issues raised by the independent directors attending the meeting.	None	Acknowledged by all the independent directors attended the meeting	Further submitted to the Board of Directors on Nov. 8, 2024 and approved by all the directors.	
	2.	Issued the Company's 2025 audit plan.				
	3.	Issued the Company's 2025 audit plans for each subsidiary.				
	4.	In consideration of the current laws and regulations and in line with the practical operation, the Company's internal control and internal audit system, Chapter 11, "Other Management Control Systems", Section 12 "Management of Sustainability Information", is added for discussion.				

(3) Implementation Status of Corporate Governance as required for company, and any nonconformity to the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof

Items for evaluation	Implementation Status			Deviation from the Corporate Governance Best-Practice Principles for the TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
1. Has the Company established and disclosed its corporate governance practices based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company established the "Corporate Governance Best Practice Principles" on November 9, 2023 by the Board of Directors in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", which was disclosed on the Company's website and public information observatory.	1. There were no material differences.
2. Equity structure and shareholders' equity (1) Has the Company instituted an internal procedure for handling suggestions, questions, disputes of the shareholders and legal actions, and comply with the procedure properly?	✓		(1) The Company has the 1) Spokesperson, Acting Spokesperson. 2) Investor mailbox. 3) Channels such as the Company website to handle shareholder suggestions or disputes. If there is a legal actions, the legal department will discuss and handle the relevant matters with the legal counsel in accordance with the procedures.	(1) There were no material differences.
(2) Has the Company kept track on the major shareholders roster of the Company and the parties controlling these shareholders?	✓		(2) The Company and its subsidiaries keep abreast of the changes in the equity of directors and major shareholders at all times and the pledge status, and regularly make filings on the Market Observation Post System every month.	(2) There were no material differences.
(3) Has the Company established and implemented the risk control mechanism and firewall between the corporate headquarters and the affiliates?	✓		(3) The Company and its affiliated companies operate independently, and each company has its own internal control system and approval authority for its implementation. The Company has formulated the "Transactions with Related Persons, Specific Companies and Group Companies Operational Procedures", the "Handling Procedures for Acquisition or Disposal of Assets", the "Subsidiary Supervision and Monitoring Operational Guidelines", etc. to serve as the basis for controlling and implementing related operations among affiliated companies. If files and documents containing material information are to be transmitted by e-mail or other electronic means, they shall be properly encrypted and processed.	(3) There were no material differences.
	✓			

Items for evaluation	Implementation Status			Deviation from the Corporate Governance Best-Practice Principles for the TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(4) Has the company adopted internal rules prohibiting company insiders from trading securities using information not disclosed to the market?			(4) The Company has formulated the “Insider Shareholding Declaration Management Guidelines” and the “Material Inside Information Operational Procedures” for compliance. In addition to managing insider declaration operations in accordance with the law, education and advocacy on relevant laws and regulations are also conducted for directors, managerial officers, and employees during the election, and relevant information is provided from time to time. The content has incorporated the violation handling measures so as to protect the rights and interests of the Company and investors.	(4) There were no material differences.

Items for evaluation	Implementation Status			Deviation from the Corporate Governance Best-Practice Principles for the TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
<p>3. Composition and Responsibilities of the Board of Directors</p> <p>(1) Has the Board established a diversity policy, specific management goals and implemented it accordingly?</p>	✓		<p>(1) On December 12, 2017, the Company's Board of Directors approved the "Board Diversity Policy". The composition of the Company's Board of Directors shall consider diversity, including but not limited to the gender, age, culture, educational background, race, professional experience, skills, knowledge or field of work, etc. In order to improve the Company's operating performance and considering the future trends in business development, the number of board seats for directors who concurrently hold employee status in the future board member structure shall not exceed one third thereof, and the number of independent directors shall also be increased; the number of directors with industrial professional skills shall not be less than one third thereof so as to strengthen the board function. The Company currently has seven directors, including four independent directors. The current term of the Board of Directors expires on June 15, 2025. The background diversity of individual directors of the Company is detailed on page 9-11.</p>	(1) There were no material differences.
<p>(2) Further to the establishment of the Compensation and Remuneration Committee and the Auditing Committee, has the Company voluntarily established other functional committees?</p>		✓	<p>(2) The Company has set up a Remuneration Committee and an Audit Committee, and will set up other functional committees in the future as required by laws and regulations and as required for the Company's operations.</p>	(2) There were no material differences.
<p>(3) Has the Company established a methodology for evaluating the performance of its Board of Directors, performed evaluations on an annual basis, submitted the results of the performance evaluation to the Board, and used such as a reference for individual director remuneration and renomination?</p>	✓		<p>(3) On November 9, 2016, the Board of Directors of the Company passed a resolution granting the Compensation and Remuneration Committee the authority to formulate the Company's "Board of Directors Performance Evaluation Guidelines".</p> <p>(1) Evaluation cycle and period: The Board of Directors of the Company shall conduct an internal performance evaluation of the Board of Directors at least once a year, and may conduct an evaluation every 3 years by an external professional independent organization or an external team of experts and scholars.</p> <p>(2) The evaluation methods include internal self-evaluation by the Board of Directors, self-evaluation by directors, peer evaluation, commissioning external professional institutions, experts or using other appropriate methods for performance evaluation.</p> <p>(3) The measurement items of the performance evaluation of the Board of Directors shall include at least the following five aspects:</p>	(3) There were no material differences.

Items for evaluation	Implementation Status			Deviation from the Corporate Governance Best-Practice Principles for the TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(4) Has the Company evaluated the independence of the commissioned certified public accountants regularly?	✓		<p>1. The level of participation in the Company's operations.</p> <p>2. Improving the board decision making quality of the Board of Directors.</p> <p>3. Composition and structure of the Board of Directors.</p> <p>4. Selection and continuing education of directors.</p> <p>5. Internal control.</p> <p>The measurement items for the performance evaluation of board members (self or peers) shall include at least the following six aspects:</p> <p>1. Mastering the Company's goals and tasks.</p> <p>2. Cognition of director responsibilities.</p> <p>3. Level of participation in the Company's operations.</p> <p>4. Internal relationship management and communication.</p> <p>5. Professional and continuing education of directors.</p> <p>6. Internal control.</p> <p>(4) The 2024 performance self-evaluation results of the Board of Directors are set out as follows: The results of the overall performance evaluation of the Board of Directors in 2024 were excellent; and the results of the performance evaluation of directors (self or peers) in 2024 were excellent.</p> <p>(5) The implementation status of the performance evaluation of the Board of Directors in 2024 was in good condition, and the overall rating was between excellent and outstanding. The evaluation results have been reported to the Board of Directors on Mar. 12, 2025 (see page 17-18). The Company's website: http://www.gia-tzoong.com.tw</p> <p>(4) 1. The Company evaluates the independence and competency of the visa accountants at least once a year, and evaluates the five major aspects of the visa accountants, including "professionalism", "quality control", "independence", "supervision" and "innovation ability", with reference to the 13 audit quality indicators (AQIs), and requires the visa accountants and their firms to fill in a questionnaire and provide the "Declaration of Independence" and related information for the Company's evaluation.</p>	(4) There were no material differences.

Items for evaluation	Implementation Status			Deviation from the Corporate Governance Best-Practice Principles for the TWSE/TPEX Listed Companies and reasons																
	Yes	No	Summary																	
			<p>Based on the results of the assessment of independence criteria in the table below, the visa accountants have no financial interests or business relationships with the Company other than the fees for visa and tax cases.</p> <table><tr><td>Certified public accountant Independence Evaluation Indicators</td></tr><tr><td>1. As of the most recent visa operation, there has not been a change in seven years.</td></tr><tr><td>2. There is no material financial interest in the client.</td></tr><tr><td>3. Avoid any inappropriate relationship with the principal.</td></tr><tr><td>4. Accountants should ensure that their assistants are honest, impartial and independent.</td></tr><tr><td>5. The financial statements of the service organization within the two years prior to the practice of law shall not be audited.</td></tr><tr><td>6. The name of the accountant shall not be used by others.</td></tr><tr><td>7. Does not hold any shares in the Company or its affiliates.</td></tr><tr><td>8. There is no money loan with the Company or its affiliates</td></tr><tr><td>9. There is no joint investment or benefit-sharing relationship with the Company or its affiliates.</td></tr><tr><td>10. Not concurrently working for the Company or its affiliates, Receive a fixed salary.</td></tr><tr><td>11. It is not involved in the decision-making and management functions of the Company or its affiliates.</td></tr><tr><td>12. Failure to engage in other businesses that may result in the loss of its independence.</td></tr><tr><td>13. There is no spouse, direct blood relative, direct in-law or second consanguinity with the management of the Company.</td></tr><tr><td>14. No commissions are charged in relation to the business.</td></tr><tr><td>15. Whether the appointed accountant complies with the Communiqué No. 10 of the Code of Professional Ethics for Accountants "Independence of Auditing and Verification", and obtains a declaration of independence issued by the certified public accountant.</td></tr></table> <p>2. In 2024, the independence assessment results and performance index assessment results of certified public accountants were all up to standard. On Mar. 12, 2025 the Company’s Board of Directors passed the 2024 certified public accountants' independence proposals, respectively.</p>	Certified public accountant Independence Evaluation Indicators	1. As of the most recent visa operation, there has not been a change in seven years.	2. There is no material financial interest in the client.	3. Avoid any inappropriate relationship with the principal.	4. Accountants should ensure that their assistants are honest, impartial and independent.	5. The financial statements of the service organization within the two years prior to the practice of law shall not be audited.	6. The name of the accountant shall not be used by others.	7. Does not hold any shares in the Company or its affiliates.	8. There is no money loan with the Company or its affiliates	9. There is no joint investment or benefit-sharing relationship with the Company or its affiliates.	10. Not concurrently working for the Company or its affiliates, Receive a fixed salary.	11. It is not involved in the decision-making and management functions of the Company or its affiliates.	12. Failure to engage in other businesses that may result in the loss of its independence.	13. There is no spouse, direct blood relative, direct in-law or second consanguinity with the management of the Company.	14. No commissions are charged in relation to the business.	15. Whether the appointed accountant complies with the Communiqué No. 10 of the Code of Professional Ethics for Accountants "Independence of Auditing and Verification", and obtains a declaration of independence issued by the certified public accountant.	
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Items for evaluation	Implementation Status			Deviation from the Corporate Governance Best-Practice Principles for the TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
4. Does the TWSE/TPEx Listed Company have an appropriate and appropriate number of corporate governance personnel, and has the Company designated a Corporate Governance Senior Officer to deal with corporate governance related affairs (including, but not limited to, providing directors and supervisors with information required for the execution of their duties; assisting directors and supervisors in complying with the laws and regulations; conducting board meeting and shareholders' meeting related matters; handling company registration and change of registration and preparing the minutes for board meetings and shareholders' meeting in accordance with the law, etc.)?	✓		<p>On May 9, 2023, the Board of Directors approved the appointment of CHANK KUAN MIN, Director of the Management Department of the Company, as the head of corporate governance, responsible for corporate governance-related affairs. The supervisor has been engaged in finance, stock affairs and corporate governance related affairs in a public company for more than three years, and meets the qualifications of a corporate governance supervisor as stipulated in Article 20 of the "Key Points for the Establishment and Exercise of Powers by the Board of Directors of OTC Companies". The Head of Corporate Governance is responsible for corporate governance-related matters, including the following:</p> <ol style="list-style-type: none"> 1. Handle matters related to the meetings of the board of directors and shareholders' meetings in accordance with the law. 2. Prepare minutes of the board of directors and shareholders' meetings. 3. Assist directors in their appointment and continuing education. 4. Provide the information necessary for the directors to carry out their business. 5. Assist directors in complying with laws and regulations. 6. Report to the Board of Directors on the results of its review of whether the qualifications of independent directors at the time of nomination, election and during their term of office comply with relevant laws and regulations. 7. Handle matters related to the change of directors. 8. Other matters stipulated in the articles of association or contract. <p>Details of the training for corporate governance executives are on page 47.</p>	There were no material differences.
5. Has the Company established a communications channel and established a designated zone on its website for stakeholders (including, but not limited to, shareholders, employees, customers, and suppliers), and has the Company properly responded to all CSR issues such stakeholders are concerned with?	✓		The Company has a spokesperson and an acting spokesperson in place to release material information in real time on incidents that may affect shareholders or interested parties, and has set up the "Stakeholder Zone" on the Company's website.	There were no material differences.
6. Has the Company appointed a specialized shareholder services agent to deal with shareholder affairs?	✓		The Company has currently appointed the agency department of CTBC Bank to handle stock affairs and shareholders meeting related affairs. None of its subsidiaries is a public company, and therefore there is no need to appoint a professional stock affairs agency according to the law.	There were no material differences.

Items for evaluation	Implementation Status			Deviation from the Corporate Governance Best-Practice Principles for the TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
7. Disclosures (1) Has the Company established a website for the disclosure of Company's financial and business, and corporate governance?	✓		(1) The Company has set up information zones on corporate social responsibility, investors, product introductions, technology research and development, etc. through the Company website to disclose information on consolidated financial statements, business and corporate governance at any time. The Company's website: http://www.gia-tzoong.com.tw	(1) There were no material differences.
(2) Has the Company adopted other means of disclosures (e.g., the installation of a website in English language, appointment of designated persons for the gathering and disclosure of information, the proper implementation of the spokesperson system, and the minutes of the investor conference on record posted on the website)?	✓		(2) The current spokesperson of the Company will announce the current situation when there is a change in the Company's situation.	(2) There were no material differences.
(3) Does the Company announce and report the annual financial report within two months after the end of the fiscal year? Does the Company announce and report the first, second, and third quarter financial reports and the monthly operating conditions well in advance of the required deadlines?		✓	(3) The Company's financial reports are all submitted to the Board of Directors for approval in accordance with regulations and then announced and filed. The operating status of each month is also announced and filed prior to the prescribed deadline.	(3) There were no material differences.

Items for evaluation	Implementation Status			Deviation from the Corporate Governance Best-Practice Principles for the TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including, but not limited to, employee rights and benefits, employee care, investor relations, supplier relations, stakeholder rights, status of directors' and supervisors' continuing education, implementation of risk management policies and risk assessment criteria, implementation of customer related policies, and purchase of liability insurance for directors and supervisors by the Company)?	✓		<p>The Company has set up the Compensation and Remuneration Committee to be in charge of formulating and regularly reviewing the policies, systems, criteria and structures of the performance evaluation and remuneration of directors and managerial officers, and regularly evaluating and determining the remuneration of directors and managerial officers. The relevant operational status is detailed on pages 34-35.</p> <ol style="list-style-type: none"> 1. Employee rights and interests: The Company has established the Employee Welfare Committee, and has taken out employee group insurance. 2. Care for employees: The Company hopes that employees on both sides of the strait will receive care and attention both physically and mentally. The content thereof includes: <ol style="list-style-type: none"> 1. Employee suggestion box 2. Improvement in restaurant catering 3. Birthday parties 4. Employee travel 5. Labor-management meeting every 3 months 3. Investor relations: The Company has a spokesperson and acting spokesperson in place to communicate with interested parties. 4. Supplier relationship: to maintain a sound cooperative relationship with suppliers through the procurement unit as the point of contact, with a commitment to corporate social responsibility. 5. Rights of interested parties: We have set up a point of contact on the Company website for interested parties. 6. The status of continuing education for directors of the Company: see pages 19 for details. 7. Implementation status of risk management policies and risk measurement criteria: All major operational policies have been evaluated and analyzed by relevant responsible departments and resolved by the Board of Directors for implementation. 8. Implementation status of client policy: The business and client service departments are the responsible units to establish a good communication channel with clients and to meet their needs, and the results of client satisfaction surveys are used to serve as the basis for improvement and long-term strategies of the Company. 9. The Company's Board of Directors has approved the purchase of liability insurance for directors, and the Company has taken out insurance from Fubon Insurance Company to strengthen the protection of shareholders' rights and interests. <p>Note: The Audit Committee was established in June 2022.</p>	There were no material differences.

Items for evaluation	Implementation Status			Deviation from the Corporate Governance Best-Practice Principles for the TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			<p>10. Succession planning for members of the Board of Directors and important management:</p> <p>(1) With regard to the succession planning of the Board of Directors, at present, the Company has many senior managerial officers who possess the management skill and professional skill required to serve as directors. At the same time, the Company also plans to recruit professionals with industry experience related to the Company's business so that the Company's Board of Directors can continue to provide an effective and diverse Board of Directors that meets the needs of the Company for the planning of director succession. As for the part of independent directors, they are required to possess work experience in business, legal affairs, finance, accounting, or the Company's business according to the law. There is no shortage of such professionals in this country. The Company will hire independent directors according to regulatory requirements. The main policy of the Company's planning for the succession of independent directors is to recruit professionals from the industry, government, and academia who are familiar with the Company's industry, so as to give full play to the function of corporate governance.</p> <p>(2) The Company's employees above the managerial level are important management levels, whose capabilities are cultivated for their succession through the practical experience in the Company's operations. In addition to cultivating important management levels through substitution of routine duties, the Company also conducts duty rotation and position promotion for key talents in a timely manner according to various development strategies, investment plans, employee performance appraisals, and resignation or retirement status, so as to effectively pass on professional experience and cultivate suitable management talents for succession.</p>	
<p>9. State of corrective action taken for responding to the results of the corporate governance assessment announced by Taiwan Stock Exchange Corporation in the Corporate Governance Center the most recent year, and the priority for improvement on issues pending further corrective action and related measures. (Companies not included in the evaluation do not need to fill in this part.)</p> <p>1.Improvement in year 2024</p> <p>(1) The Company has disclosed its water consumption and total waste weight for the past two years on its website.</p> <p>(2) The company has disclosed on its website its policies for reducing water use or other waste management, including reduction targets, promotion measures and achievement status.</p> <p>(3) The Company has disclosed its annual greenhouse gas emissions for the past two years on its website.</p> <p>(4) The company has invested in my country's green energy industry.</p> <p>2.The Company will continue to evaluate and consider possible improvement plans for items that have not yet been scored.</p>				

(4) The composition, duties and operation of the Compensation and Remuneration Committee and the Nomination Committee:

1. The Company has established a Compensation and Remuneration Committee. The purpose of the Compensation and Remuneration Committee is to assist the Board of Directors in implementing and evaluating the Company's overall remuneration and welfare policies, as well as the remuneration of managerial officers. The Compensation and Remuneration Committee holds regular meetings at least twice a year.

1. Information on Compensation and Remuneration Committee Members

Identify	Name	Conditions	Professional qualifications and experience	Independent status	Number of other public companies in which the individual is concurrently serving as the Compensation and Remuneration Committee member
Independent Director and convener	WU TSENG FENG		<ol style="list-style-type: none"> 1. President of Cisco International Taiwan, Ltd. 2. President of Taiwan Area, Veritas Technologies(Taiwan) Co., Ltd. 3.Relevant work experience of 20 years or more 	Conformed with the provisions of Paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Compensation and Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange (Note 1)	0
Independent Director and member	TAI KUO MING		<ol style="list-style-type: none"> 1.Chief Financial Officer, Finance Department, Headquarters, Taiwan Securities Co., Ltd. 2.Vice President of Stock Agency Department, Taishin International Bank 3.Cheng Mei Materials Technology Corporation-Consultant 4.Relevant work experience of 20 years or more 	Conformed with the provisions of Paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange (Note 1)	0
Member	YU WEI PIN		<ol style="list-style-type: none"> 1.Chairman of Integrated Service Technology Inc. 2.Relevant work experience of 20 years or more 	Conformed with the provisions of Paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange (Note 1)	0

Note 1: According to Article 6, paragraph 1 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange, "During the 2 years before being appointed or during the term of office, a remuneration committee member shall not have been or be any of the following:

1. An employee of the company or its affiliates.
2. A director or supervisor of the company or any of its affiliates.
3. A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of the total number of issued shares of the company or ranking in the top 10 in holdings.
4. A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
5. A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.
6. If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.
7. If the chairman, president, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.
8. A director, supervisor, managerial officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.
9. A professional individual who, or an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations."

2. Operations of the Remuneration Committee

- (1) The Remuneration Committee of the Company is consisted of 2 members.
- (2) The term of office of the fifth session of the committee is from June 24, 2022 to June 15, 2025. The Compensation and Remuneration Committee held three meetings (A) in the most recent year 2024, and the qualifications and attendance status of the committee members are set out as follows:

Title	Name	Actual number of attendance (B)	Attend through proxy	Actual attendance rate (%) (B / A)(note)	Remark
Convener	WU TSENG FENG	2	0	100%	
Member	TAI KUO MING	2	0	100%	
Member	YU WEI PIN	2	0	100%	

Other matters to be recorded:

1. If the Board of Directors does not adopt or revise the suggestion of the Compensation and Remuneration Committee, it shall state the date and session of the board meeting, content of the proposal, the resolution of the Board of Directors, and the Company's handling of the opinions of the Compensation and Remuneration Committee (for example, when the salary and remuneration approved by the Board of Directors is better than that suggested by the Compensation and Remuneration Committee, the difference and reason thereof shall be clearly stated): None.
2. For the resolutions of the Compensation and Remuneration Committee, if its members have opinions of objection or reservation with records or written statements, the date and session of the Compensation and Remuneration Committee meeting, content of the proposal, the opinions of all the members, and the handling of the members' opinions: None.
3. The operational status of the Salary and Remuneration Committee in the most recent year and as of the publication date of the annual report is as follows:

Meeting Date	Content of the proposal	Resolution	The Company's handling of the Remuneration Committee's opinions
The fifth meeting of the fifth session (Jan. 17,2024).	Review of the settlement of seniority under the old pension system by the manager of the business department Mr. TSENG CHI LI	It was agreed to be adopted as planned	Submitted to the Board of Directors
	Review of the 2023 year-end bonus for managers	It was agreed to be adopted as planned	Submitted to the Board of Directors
	Review of the Company's 2024 manager salary adjustment	It was agreed to be adopted as planned	Submitted to the Board of Directors
The sixth meeting of the fifth session (Aug. 8,2024)	Review of the Company's change in duty allowances	It was agreed to be adopted as planned	Submitted to the Board of Directors
	Review of the "Remuneration Payment System for Directors and Functional Members"	It was agreed to be adopted as planned	Submitted to the Board of Directors
The seventh meeting of the fifth session (Jan. 14,2025)	Review of the 2024 year-end bonus for managers	It was agreed to be adopted as planned	Submitted to the Board of Directors

Note: (1) If a member of the Compensation and Remuneration Committee leaves office prior to the end of the year, the date of leaving office shall be indicated in the remarks column. The actual attendance rate (%) is calculated based on the number of meetings of the Compensation and Remuneration Committee and the number of actual attendances during the term of office.

(2) If there is reelection of the Compensation and Remuneration Committee prior to the end of the year, both the new and former members of the Compensation and Remuneration Committee shall be filled in, and the status of either the former, new, or reelected member as well as the date of reelection shall be indicated in the remarks column. The actual attendance rate (%) is calculated based on the number of meetings of the Compensation and Remuneration Committee and the number of actual attendances during the term of office.

(3) Contents of the scope of functions and powers of the Compensation and Remuneration Committee:

A. Formulate and regularly review policies, systems, criteria, and structures for performance evaluation and remuneration of directors, supervisors, and managerial officers.

B. Regularly evaluate and determine the remuneration of directors, supervisors, and managerial officers.

2. Information on members and operational status of the Nomination Committee: The Company has not yet established a nomination committee.

(5) The implementation status of the promotion of sustainable development and the differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons thereof:

Implementation item	Implementation status			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason
	Yes	No	Summary description	
1. Did the Company establish a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, and the Board of Directors authorize the senior management to handle such matters, and the supervisory status by the Board of Directors?	✓		<p>On November 8, 2024, the Board of Directors approved the establishment of the "Sustainable Development Committee", The company's governance structure to promote sustainable development is implemented and supervised by the board of directors, The members of the committee are TSENG CHI LI, Chief Executive Officer, HSIAO MING YANG, President, and HUNG WEN MING, Independent Director. Responsible for reviewing sustainable development policies, strategies and management guidelines, and supervising the company's sustainable development related matters and implementation plans.</p> <p>The Company follows the ESG short-, medium- and long-term blueprint, The CEO will convene and organize a sustainable development group, which consists of five groups: environmental sustainability group, product sustainability design group, supply chain sustainability group, corporate social responsibility group, and corporate governance group</p> <p>Promote and execute sustainable development programs, Responsible for integrating cross-departmental strategic guidelines and implementation results related to the environment, occupational safety, employee care, social care, corporate governance, stakeholder communication, etc. generated by the company's business activities, Report to the Board of Directors at least once a year.</p>	There were no material differences.
2. Did the Company conduct risk assessments on environmental, social and corporate governance issues related to company operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies?	✓		<p>The Company regularly collects internal and external issues, identifies the needs and expectations of stakeholders, evaluates regulatory compliance, identifies and evaluates environmental considerations, analyzes risks and opportunities, formulates annual risk and opportunity identification tables to plan out the actions take, and continues to carry out the tracking and control.</p>	There were no material differences.

Implementation item	Implementation status			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason
	Yes	No	Summary description	
3. Environmental issues (1) Did the Company establish an appropriate environmental management system according to its industrial characteristics?	✓		(1) The Company continues to implement ISO 14001 to implement the environmental policy of pollution prevention, regulatory compliance, and continuous improvement, and sets environmental goals and management plans for continuous improvement: 1. Purchase or replace energy-saving and environmentally friendly water chillers.. 2. The waste terminal treatment program is introduced into the SRF treatment plant. 3. Replace the scaled cooling water pipes to improve heat exchange efficiency. 4. Replace air compressor equipment or install frequency converter. 5. Resource utilization of aluminum-containing sludge in alkaline etching. 6. Vehicle electrification and carbon-free. 7. The latest ISO 14001 certificate of the Company is valid from Aug. 28, 2024 through July 29, 2027.	(1) There were no material differences.

(2) Is the Company committed to improving energy efficiency and using recycled materials with low impact on the environment?	✓		(2) The Company has established energy management personnel in accordance with the law, and formulated energy conservation goals and management plans to replace some high-energy-consuming public facilities and manufacturing process equipment in the factory year by year. The average annual electricity saving rate in the past 5 years has reached 1.06% thereof (higher than the regulatory target of 1%). The Company carefully selects waste recycling and processing operators, and regularly and irregularly audits waste treatment operators so as to ensure that all waste can be recycled or properly disposed of without polluting the environment, and continues to promote waste reduction, recycling, and reuse. We also use recyclable packaging materials and have established a management system to promote restricted use of hazardous substances.	(2)There were no material differences.
(3) Did the Company assess the current and future potential risks and opportunities of climate change for the Company, and take measures to address climate-related issues?	✓		(3) We have incorporate climate change issues into the assessment and identification of potential risks and opportunities, cooperate with the government's energy-saving and carbon-reduction policies and energy users' power-saving plans, install energy-saving equipment (inverters and silicon-controlled rectifier power-saving equipment) in the public facilities of the factory, promote the replacement of cloud-based intelligent electronic water meters to save water, and promote the power-saving of inverter-type energy-saving and environmentally friendly air compressors, promote the use of energy-saving water heaters in dormitories, replacement of high-efficiency windmill motor and installation of frequency converter in scrubber energy-saving case, reducing the use of chemicals through process improvement, monitor the, adopt LDI equipment to reduce the use of film materials, and promote green procurement to prioritize products with better environmental performance.	(3)There were no material differences.
(4) Did the Company calculate the greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulated policies for energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction or other waste management policies?	✓		(4) The company conducts daily water meter copying, water volume statistics and monitoring and management of water consumption in each area of the plant, and the water consumption in 2024 years increased by 0.2% compared with the previous year. We continued to monitor the amount of waste and put forward a waste reduction implementation plan, including the introduction of waste treatment procedures into SRF treatment plants, the use of adsorption equipment to reduce the content of heavy metals in wastewater, and the resource utilization of alkaline etching aluminum sludge.The amount of waste in 2024 years was reduced by 3.9% compared with the previous year. In order to promote environmental improvement programs such as energy conservation and carbon reduction, the Company identifies and inventories all emission sources within the geographical boundaries according to the organizational boundary setting, and distinguishes direct and indirect emission sources (Taiwan factory scope 1 1 and scope 2), so as to clearly define the Company's reporting boundaries and manage the risks and opportunities derived from greenhouse gases. The base year for the inventory is set at 2024 and an external investigation in 2025.	(4)There were no material differences.

Implementation item	Implementation status			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason																
	Yes	No	Summary description																	
			<div>Water consumption, waste and total greenhouse gas emissions are as follows:</div> <table><tr><th>Item</th><th>Water consumption (m³)</th><th>Waste (tons)</th><th>greenhouse gas metric tons CO2e</th></tr><tr><td>2024</td><td>154,218</td><td>1,063.3</td><td>7,527</td></tr><tr><td>2023</td><td>153,944</td><td>1,106.4</td><td>8,111</td></tr><tr><td>2022</td><td>136,591</td><td>1,126.1</td><td>6,842</td></tr></table>	Item	Water consumption (m³)	Waste (tons)	greenhouse gas metric tons CO2e	2024	154,218	1,063.3	7,527	2023	153,944	1,106.4	8,111	2022	136,591	1,126.1	6,842	
Item	Water consumption (m³)	Waste (tons)	greenhouse gas metric tons CO2e																	
2024	154,218	1,063.3	7,527																	
2023	153,944	1,106.4	8,111																	
2022	136,591	1,126.1	6,842																	

Implementation item	Implementation status			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason
	Yes	No	Summary description	
4. Social Issues				
(1) Did the Company formulate relevant management policies and procedures in accordance with relevant laws and international human rights conventions?	✓		(1) The Company abides by labor laws and regulations, supports and respects relevant international labor and human rights norms, including the Tripartite Declaration of Principles of the International Labor Organization, the OECD Guidelines for Multinational Enterprises, the United Nations Universal Declaration of Human Rights, the United Nations “Global Compact”, and the Electronic Industry Code of Conduct. The Company attaches great importance to labor and the promotion of business ethics and policies. Through the advocacy of the Company's internal employee handbook and regular inspections under the Employee Code of Conduct, the human rights of labor are protected. The Company is convinced that every employee shall be treated fairly and humanely and respected as well. The “Workplace Sexual Harassment Prevention and Control Measures Complaints and Disciplinary Guidelines” were formulated to provide channels for complaints so as to implement the protection of women’s rights and interests. The Company prohibits child labor, eliminates various forms of forced labor, employs people with disabilities, implements gender equality and equal work rights of foreign workers, eliminates discrimination in employment and the workplace, holds labor–management meetings, achieves labor–management negotiations and harmonious relations, and protects the legitimate rights and interests of employees. The Company has formulated the “Safety and Health Management Procedure” and implemented it in order to provide employees with a safe and healthy working environment. The implementation of the “Personnel Appraisal Committee Management Guidelines” has made the promotion channels for employees smoother.	(1)There were no material differences.
(2) Did the Company formulate and implement reasonable employee welfare measures (including remuneration, leave and other benefits, etc.), and appropriately reflect operating performance or results on employee compensation?	✓		(2) The labor contract between the Company's employees and the Company has been formulated in compliance with the relevant local laws and regulations, and the salary is assessed and determined in accordance with the Company's salary payment criteria; the bonus distribution is implemented in accordance with the Bonus Distribution Guidelines; and employee remuneration is appropriated and calculated in accordance with the Company's Articles of Incorporation. The Company has various welfare measures in place, including gift money for the three major festivals, staff travel, birthday celebration activities and gift money, marriage allowance, maternity allowance, funeral allowance, etc. (as detailed in the employee welfare measures section).	(2)There were no material differences.

Implementation item	Implementation status			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason
	Yes	No	Summary description	
(3) Did the Company provide employees with a safe and healthy working environment, and conduct regular safety and health education for employees?	✓		<p>In terms of the leave system, colleagues may apply for leave without pay in case of childcare, serious injury or illness, major accidents or incidents, etc., so as to take into account the needs of personal and family care. Additionally, the Company provides employees with free health checks every year, and employee retention bonuses for a certain work seniority. In terms of diversity and equality in the workplace, we extend care to foreign employees, promote women's rights and interests as well as gender equality, and actively promote women's potential and self-realization. In 2024, the average percentage of female employees was 42.17%, and the average percentage of female supervisors was 5.7%. The Company has formulated the "Employee Code of Conduct Procedural Rules", the "Skills Practice Assessment", the "Employee Incentive Measures Procedural Rules", and the employee performance appraisal. The results of the implementation are used as the basis for employee promotion and salary assessment.</p> <p>(3) Adhering to the principle of "respecting life and caring for health", the Company has been committed to promoting the occupational safety and health management system, and complies with the occupational safety and health regulations and other relevant regulations formulated by our government. With full control of all the internal working environments and characteristics of activities, we arrange for employees to receive education and training related to occupational safety and health prior to starting work and during their employment period, and strive to improve employees' safety awareness and eliminate health risks and hazards in the workplace so as to achieve occupational safety and health management performance and continuous improvement. Therefore, we commit to:</p> <ol style="list-style-type: none"> 1. Abide by national laws and regulations and fulfill corporate responsibilities. 2. Promote staff participation and implement communication mechanisms. 3. Strengthen risk management and prevent hazards from occurring. 4. Effectively reduce occupational accidents to ensure the safety of employees. <p>According to the records in 2024, no occupational accidents, fires or other incidents that endanger the safety of employees have occurred. Despite this, the company still conducts necessary safety and health education and training for all colleagues on a regular basis according to the plan, and conducts fire escape drills according to firefighting groups. In view of the endless fire news, the company has also entrusted a professional "Xin'an" fire consulting company to conduct regular fire inspections of the entire factory, and immediately improve any deficiencies (fire extinguisher updates, alarm repairs, pipeline maintenance).</p>	(3) There were no material differences.

Implementation item	Implementation status			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason
	Yes	No	Summary description	
(4) Did the Company establish an effective career development training program for employees?	✓		<p>In order to protect employees from harmful substances in the workplace and provide a healthy and comfortable working environment, an annual monitoring plan for the operating environment is formulated according to the type and characteristics of the operation; the measurement of the operating environment is carried out in January and July, and the monitoring results are used to understand the actual state of exposure by the operating staff as the basis for continuous improvement of occupational safety and health management items. Safety and health training courses are held to advocate safety and health information every month, and we invite specialists from HWA YOUNG Hospital to hold safety and health lectures at the factory so as to provide education and training aimed at different work content. We provide earplugs and earmuffs in noisy work areas, and conduct annual employee health checks, etc.</p> <p>(4) The Company plans out complete functional training for all employees, including internal and external training for new recruits, basic and professional operators, special skills personnel, environmental protection personnel, safety and health dedicated personnel, auditors, five tools for training, middle and senior executives, etc., to strengthen knowledge and techniques, enhance management and professional skills, cultivate professional talents, enhance personnel to improve their reasonable concept of work, and create a high standard of quality. A total of 344 people completed the career training in 2024, with a total of 5,803.5 hours. We assist staff in inspecting their self-growth every year, implement employee career planning, achieve goals through employee satisfaction surveys, and provide employees with a working environment where they can continue to learn and grow.</p>	(4) There were no material differences.
(5) Did the Company comply with relevant laws and international standards, and formulate relevant consumer or customer rights protection policies and grievance procedures for issues such as customer health and safety, customer privacy, marketing and labelling of products and services?	✓		<p>(5) The Company attaches great importance to client complaints and is committed to improving client satisfaction. It has established client complaint handling procedures and client satisfaction surveys and implemented them accordingly. It also cooperates with suppliers to manufacture products that meet client needs and conform to environmental protection regulations. The Company's products are customized production, all following client requirements in line with relevant laws and regulations: UL, RoHS, GP, REACH, TSCA, WEEE, China Blue Sky Project, and other relevant international laws and regulations. The Company signs a confidentiality commitment with employees, signs a confidentiality agreement with clients, and has dedicated personnel in place to handle complaints as well as product and service issues.</p>	(5) There were no material differences.

Implementation item	Implementation status			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason
	Yes	No	Summary description	
(6) Did the Company formulate a supplier management policy, requiring suppliers to follow relevant norms on issues such as environmental protection, occupational safety and health, or labor rights, and their implementation status?	✓		(6) The Company requires suppliers to sign the “Supplier Environmental Management Questionnaire” and the “Restricted Substance Commitment Letter” to ensure that the products conform to relevant domestic and international laws and regulations, such as RoHS and REACH, which contribute to the implementation of green and environmental protection and joint commitment to enhancing corporate social responsibility. In the management system, there are environmental protection and occupational safety and health management procedures in place for suppliers and contractors. All suppliers and contractors must comply with and follow the management procedures established by the Company. The implementation status is, for example: supplier environmental protection data investigation and communication, environmental protection processor's qualification review and processing inspection, the contractor's safety and health meeting, contractor's work permit application and toolbox meeting, etc.	(6) There were no material differences.
5. Did the Company refer to the internationally accepted reporting preparation standards or guidelines to prepare reports such as sustainability reports that disclose non-financial information of the Company? Did the foregoing disclosure report obtain the assurance or assurance opinion of the third-party verification unit?		✓	The company has prepared the 2024 Sustainability Report in accordance with SASB, TCFD, GRI and other standards, and plans to complete the preparation and disclose relevant information in the end of August 2025.	There were no material differences.
6. If the Company has its formulated its own sustainable development code based on the “Sustainable Development Best Practice Principles for TWSE/GTSM-Listed Companies”, please describe the difference between its operation and its formulated code: The Company's Board of Directors approved the formulation of the Corporate Social Responsibility Code on January 17, 2020, On March 13, 2024, the Board of Directors approved the amendment to the "Code of Practice for Sustainable Development" to strengthen the implementation of corporate social responsibility and follow the “Sustainable Development Best Practice Principles for TWSE/GTSM-Listed Companies”. The Company regularly inspects the implementation status and makes improvements accordingly, and there has been no difference in the implementation so far.				
7. Other important information that helps to understand the implementation status of sustainable development (such as the Company’s adopted systems and measures for environmental protection, community participation, social contribution, social services, social welfare, consumer rights and interests, human rights, safety and health, and other social responsibility activities, as well as the implementation status): The Company has formulated product environmental protection specifications and has established the ISO 14001 environmental management system. The products produced conform to the EU RoHS directive. At the design and production stages, we adopt measures such as non-hazardous raw materials, low-pollution and energy-saving production processes, and recyclable packaging, with the introduction of halogen-free design, in order to continuously meet the technical requirements of clients for environmentally friendly products. The Company sponsored the TPCA Environment Foundation for the promotion of environmental education, starting from the “ECO Master Campus Sharing Session” in elementary and junior high schools, extending to the “Technology in Life” in high schools, and the “Environmental Sustainability: Green Future” in universities. We connect environmental education with social and economic aspects, promote the sustainable development of the green environment with a positive attitude, and continue to fulfill corporate social responsibilities.				

(6) Implementation status of performing ethical corporate management and the difference from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons thereof:

Evaluation item	Operational status			Difference from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reason
	Yes	No	Summary description	
1. Formulation of policies and plans for ethical corporate management	✓		(1) The Company has formulated the “Ethical Corporate Management Best Practice Principles”, the “Ethical Corporate Management Operational Procedures and Code of Conduct”, and the “Whistleblowing System”. The Company adheres to the principle of integrity to operate its enterprise sustainably, taking “integrity and pragmatism” as the foundation to be supplemented by “retaining and cultivating talents” to continuously innovate and sustainably operate the enterprise. The Company’s website: http://www.gia-tzoong.com.tw	(1) There were no material differences.
(1) Did the Company formulate an ethical corporate management policy approved by the Board of Directors, and express the policy and practice of ethical corporate management in its regulations and external documents, as well as the commitment of the Board of Directors and senior management to actively implement the management policy?	✓		(2) The Company abides by the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act, the Political Donations Act, the Anti-Corruption Act, the Government Procurement Act, the Public Servants Conflict of Interest Recusal Act, relevant regulations on TWSE and TPEX listing, and all other laws and regulations relating to business conduct as the basic premise of implementing ethical corporate management. We also conduct evaluation and implementation in accordance with the relevant regulations on ethical corporate management so as to prevent possible risks of unethical conduct.	(2) There were no material differences.
(2) Did the Company establish an assessment mechanism for the risk of ethical behavior, regularly analyzes and evaluates the business activities with high risk of ethical behavior within the business scope, and formulate a plan for preventing ethical behavior based on it, which at least covers the preventive measures for the behaviors in the subparagraphs of Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”?	✓		(3) The Company has formulated the “Ethical Corporate Management Best Practice Principles” and the “Ethical Corporate Management Operational Procedures and Code of Conduct” combined with employee performance appraisal and human resource policies, and strengthened the promotion of the importance of ethical corporate management during the education and training to new recruits. In 2024, the Company conducted 6 hours of relevant courses for education and advocacy for 344 of its current directors, managerial officers and employees; the courses covered prevention of insider trading management, internal major handling procedures, as well as related laws and regulations. In 2024, there were no reports, complaints, gifts, bribes, etc. The implementation unit continues to review and revise the implementation of the ethical corporate management procedures. The implementation status of the operational procedures for ethical corporate management in 2024 was reported to the Board of Directors on Jan. 14, 2025.	(3) There were no material differences.
(3) Did the Company clearly define operating procedures, behavior guidelines, punishment and appeal systems for non-compliance in the plan for preventing ethical behavior, and implement it, and regularly review and revise the plan before disclosure?	✓			

Evaluation item	Operational status			Difference from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and the reason
	Yes	No	Summary description	
2. Implementation of ethical corporate management				
(1) Did the Company evaluate the integrity record of its counterparties and specify the terms of integrity in its contracts with counterparties?	✓		(1) Before starting any business dealings, the Company conducts basic information checks on suppliers, clients, and other business counterparties. Suppliers are required to fill in the “Ethics Agreement” so as to prohibit unethical conduct.	(1)There were no material differences.
(2) Did the Company set up a dedicated unit for promoting corporate ethical corporate management under the Board of Directors, and report regularly (at least once a year) to the Board of Directors on its ethical corporate management policy and plan to prevent ethical behavior and supervise the implementation?	✓		(2) The Company has designated the Human Resources Management Section as a dedicated unit to handle the revision, implementation, interpretation, consulting services, registration and filing of notification content, and other related operations and supervision of the implementation of the ethical corporate management policy. The implementation status of the ethical corporate management operation in 2024 was reported to the Board of Directors on Jan. 14, 2025.	(2)There were no material differences.
(3) Did the Company have a policy to prevent conflicts of interest, provide appropriate channels for representation, and implement it?	✓		(3) The Company has formulated the “Ethical Corporate Management Best Practice Principles”, the “Ethical Corporate Management Operational Procedures and Code of Conduct”, and the “Whistleblowing System”. All directors of the Company uphold a high degree of self-discipline, and recuse themselves from any proposal listed by the Board of Directors when they themselves or the legal person they represent have a conflict of interest with the Company.	(3)There were no material differences.
(4) Did the Company establish an effective accounting system and internal control system for the implementation of ethical corporate management, and the internal audit unit formulate relevant audit plans based on the results of the assessment of the risk of ethical behavior, and checked the compliance of the plan to prevent ethical behavior based on it, or appoint an public certified accountant to perform the audit?	✓		(4) The Company regularly reviews the accounting system and internal control system to ensure the continuous effectiveness of the design and implementation of the system. The internal audit unit checks the improvement status of unethical conduct based on the implementation results of the ethical corporate management operation.	(4)There were no material differences.
(5) Did the Company regularly hold internal and external education and training on ethical corporate management?	✓		(5) The Company was already in the practice of regularly promoting relevant information, and it has strengthened the importance of ethical corporate management when educating and training new recruits.	(5)There were no material differences.

Evaluation item	Operational status			Difference from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and the reason
	Yes	No	Summary description	
3. Operational status of the Company whistleblowing system				
1. Did the Company formulate a specific reporting and reward system, establish a convenient reporting channel, and assign appropriate personnel in charge of the report to the counterparty?	✓		(1) The Company has formulated the “whistle-blowing system”. The internal communication channels of the Company and its subsidiaries include: whistle-blowing hotline, president mailbox, sexual harassment complaint mailbox, and employee opinion mailbox. The external reporting mailbox can be found on the Company’s website (http://www.gia-tzoong.com.tw) by following the path About Us → Corporate Social Responsibility → Stakeholder Zone; here, whistleblowers may report violations by mail, e-mail, etc., and dedicated personnel will handle the reported matters.	(1)There were no material differences.
2. Did the Company establish the standard operating procedures for the investigation of reported matters, the follow-up measures to be taken after the investigation is completed, and the relevant confidentiality mechanism?	✓		(2) The Company has established the “whistle-blowing system” to carry out investigation procedures and confidentiality measures for reported matters. After the investigation team has completed the necessary investigation procedures for the reported matter, it will handle the reported matter according to the facts investigated and verified in accordance with the content of the operational procedure, and report the investigated matter, the handling method, and the follow-up review and improvement measures to the Board of Directors.	(2)There were no material differences.
3. Did the Company take measures to protect whistleblowers from being mistreated due to whistleblowing?	✓		(3) The relevant personnel of the Company handling the whistleblowing matter shall make a written statement to keep the identity of the whistleblower and the content of the whistleblowing matter confidential, take appropriate measures to protect the confidentiality of both the whistleblower and the information provided, and undertake to protect the whistleblower from retaliation for reporting.	(3)There were no material differences.
4. Strengthen information disclosure				
(1) Did the Company disclose the content of its Ethical Corporate Management Best Practice Principles and promote its effectiveness on its website and Market Observation Post System?	✓		(1) The Company has formulated the “Ethical Corporate Management Best Practice Principles”, the “Ethical Corporate Management Operational Procedures and Code of Conduct”, and the “Whistleblowing System”. Relevant information is disclosed on the Company's website and in the annual report.	(1)There were no material differences. °
5. If the Company has formulated its own ethical corporate management code in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies”, please describe the difference between its operation and its formulated code: The Company has formulated the “Ethical Corporate Management Best Practice Principles”, the “Ethical Corporate Management Operational Procedures and Code of Conduct”, and the “Whistleblowing System” and implemented the relevant rules accordingly, which is applicable to both the Company and its subsidiaries.				
6. Other important information that helps to understand the Company's ethical corporate management and operation (such as the Company's review and revision of its ethical corporate management code): It has been explained in the aforementioned operating status.				

(7) Other circumstances sufficient to enhance the operation of corporate governance:

1. According to the “Corporate Governance 3.0 - Sustainable Development Roadmap” issued by the Financial Supervisory Commission, the Company has carried out the relevant operations of the “Corporate Governance Evaluation System”. Based on the data from 2024, it completed the self-assessment operation on the various indicators in January 2025. Among the relevant accounting, finance, and auditing personnel of the Company, one person has obtained a domestic internal auditor certificate, the securities firm salesperson qualification certificate, and the bookkeeper certificate.

2. The continuing education status of the Company's managerial officers, finance and accounting supervisors, Corporate Governance Officer, and internal audit supervisors participating in corporate governance related courses in 2024:

Title	Name	Course Date	Organizers	Course Name	Course hours
Representative of the Chairman and Chief Executive Officer	TSENG CHI LI	Sep. 12, 2024	Taipei Exchange	Insider equity publicity briefing for OTC and OTC companies	3 hours
		Nov. 13, 2024	Securities & Futures Institute	Challenges and opportunities of sustainable development pathways and introduction to greenhouse gas inventory	3 hours
		Dec. 04, 2024	Securities & Futures Institute	Sustainable Development Committee and Symposium on Sustainable Development	
		Dec. 25, 2024	Securities & Futures Institute	Listed Firms - Expanding the Asset Management Landscape in Asia with Derivatives Seminar	
Vice President of Manufacturing Division	LEE WEI HSIN	May. 21, 2024	Securities & Futures Institute	Challenges and opportunities of sustainable development pathways and introduction to greenhouse gas inventory	3 hours
		Sep. 19, 2024	Securities & Futures Institute	Silicon Photonics Defined Networks: Trends in Silicon Photonics (SiPh) and Co-Packaged Optics (CPO).	3 hours
Assistant Vice President of Management Division and Director of Financial and Accounting	CHAN KUAN MIN	Nov. 11, 2024 Nov. 12, 2024	Accounting Research and Development Foundation	Accounting Supervisor Continuing Education	12 hours
Corporate Governance Officer		Apr. 16, 2024	The Institute of Internal Auditors-Chinese	Information Business Verification Workshop	6 hours
		Apr. 17, 2024	The Institute of Internal Auditors-Chinese	It is important to know the focus and impact of IFRS S1/S2 on internal control and internal audit	6 hours
Chief Auditor	LIN HUI LING	Mar. 19, 2024	The Institute of Internal Auditors-Chinese	Internal audit and internal control of personal information law practical operation	6 hours
		Jul. 03, 2024	The Institute of Internal Auditors-Chinese	It is important to know the focus and impact of IFRS S1S2 on internal control and internal audit	6 hours
		Jul. 30, 2024	Taipei Exchange	Advocacy of internal control system for the management of sustainable information	6 hours
Audit Agent	LIN SU HSIANG	May. 16, 2024	The Institute of Internal Auditors-Chinese	Analysis of the regulations of the board of directors and functional committees (audit remuneration) and key points of audit	6 hours
		Jun. 03, 2024	The Institute of Internal Auditors-Chinese	The latest context of corporate governance is seen from the corporate governance evaluation indicators	6 hours

(8) Implementation Status of Internal Control System

1. Internal Control System Statement

GIA TZOONG ENTERPRISE CO., LTD. Internal Control System Statement

Date: March 12, 2025

With regard to the 2024 internal control system, the Company declares the following based on the self-evaluation findings:

1. The Company is fully aware that establishing, implementing, and maintaining an internal control system are the responsibility of its Board of Directors and managerial officers. The Company has established such a system to provide reasonable assurance for attaining the aims of the effectiveness and efficiency of business operations (including profits, performance, safeguarding of asset security, etc.); reliability, timeliness, transparency of reporting; and compliance with the governing laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system provides assurance to the aforementioned aims only to a reasonable extent. Moreover, due to changes of environments and circumstances, the effectiveness of an internal control system may change accordingly. Nevertheless, the internal control system of the Company is equipped with a self-monitoring mechanism, and the Company takes corrective actions as soon as any fault is identified.
3. The Company determines the design and operating effectiveness of its internal control system in accordance with the determining factors provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the “Regulations”). The internal control system determining factors specified in the Regulations divide an internal control system into five elements based on its management: 1. Control Environment, 2. Risk Assessment, 3. Control Operations, 4. Information and Communications, and 5. Monitoring. Each element further contains several items. Refer to the Regulations for the aforementioned items.
4. The Company has adopted the aforementioned internal control system determining factors to examine the design and operating effectiveness of its internal control system.
5. Based on the findings of the evaluation mentioned in the preceding paragraph, the Company deems that the internal control system as of Dec. 31, 2024 (including supervision and management of subsidiaries), which encompass internal controls for knowledge of the accomplishment degree of operating effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with the governing laws and regulations, are effectively designed and implemented, and reasonably assure accomplishment of the abovementioned aims.
6. This Statement constitutes the main content of the Company’s annual report and prospectus, and will be made public. Any wrongful act pertaining to falsification or concealment involving the above public declaration will be subjected to legal liabilities under Articles 20, 32, 171, and 174 of, and other regulations relating to, the Securities and Exchange Act.
7. This statement was approved by the board of directors of the company on March 12, 2025, and among the 6 directors present, 0 of them held objections, and the rest agreed with the content of this statement and made this statement.

GIA TZOONG ENTERPRISE CO., LTD.

Chairman: CHENG AN INVESTMENT CO., LTD.
(Representative: TSENG CHI LI)
President: TSENG CHI LI

2. Where a certified public accountant is appointed to review the internal control system, it shall disclose the certified public accountant's review report: None.

(9) Important resolutions of shareholders meetings and Board of Directors meetings in the most recent year and as of the date of publication of the annual report:

1. Important resolutions and the implementation status of the Company's 2024 general shareholders meeting

(1) 2023 business report and financial statements.

Implementation status: This proposal was put to a vote, and passed for the 2023 business report and financial statements.

(2) Approved the 2023 loss appropriation proposal.

Implementation status: This proposal was put to a vote, and passed that no surplus is to be distributed in 2023.

2. The important resolutions of the Board of Directors in 2024 and as of the publication date of the annual report of the Company are summarized as follows:

Sessions of the Board of Directors	Important Resolutions
The 9th meeting of the 10th session (Jan. 17, 2024)	1. Approved the renewal of the contract with Fubon Product Insurance Company to purchase the liability insurance of directors and supervisors
	2. Approved the Company's 2024 annual financial budget and operating plan.
	3. Apply for short-term working capital renewal with Bank of Taiwan Taoyuan Branch.
	4. Passed the application to the Taoying Branch of Banxin Commercial Bank for the renewal of the comprehensive quota.
	5. Approved the Company's acquisition and disposal of machinery and equipment for business use.
	6. Approved the remuneration committee to propose the year-end bonus plan for managers for 2023 years.
	7. Approved the Remuneration Committee to propose the Company's 2024 annual salary adjustment plan for managers.
The 10th meeting of the 10th session (Mar. 13, 2024)	1. Passed the company's 2023 "Internal Control System Statement".
	2. Approved the company's 2023 annual business report and financial statements.
	3. Passed the company's 2023 annual loss compensation case.
	4. Accounts receivable and overdue amounts other than accounts receivable through the Company as of the end of December 2023 are not funds Loan and nature cases.
	5. Acquisition or disposal of machinery and equipment for business use through the Company.
	6. Replace the audit accountant of the company's financial reports through the internal rotation of Baker Tilly Clock & Co. Table.
	7. Evaluate the independence and competency of the certified public accountant through the company.
	8. Approved the amendment of the Company's Corporate Social Responsibility Best Practice Principles, named "Sustainable Development Best Practice Principles" and some of the provisions.
	9. Passed the acceptance of matters related to the 2024 annual meeting of shareholders submitted by shareholders.
	10. Approved the convening of the 2024 annual general meeting of shareholders of the Company.
The 11th meeting of the 10th session (May. 9, 2024)	1. The first draft of the Company's consolidated financial statements and notes for the first quarter of 2024 was revealed.
	2. Passed the 2024-year accountant remuneration case of Baker Tilly Clock & Co.
	3. Passed the company's accounts receivable and accounts receivable as of the end of March 2024, and the overdue amount other than accounts receivable is not a fund loan case.
	4. Approved the Company's acquisition and disposal of machinery and equipment for business use.
The 12th meeting	1. Disclosure of the first draft of the Company's consolidated financial statements and notes for the second

of the 10th session (Aug. 8, 2024).	<p>quarter of 2024.</p> <p>2. Passed the company's accounts receivable and accounts receivable as of the end of June 2024, and the overdue amount other than accounts receivable is not a fund loan case.</p> <p>3. Approved the Company's acquisition and disposal of machinery and equipment for business use.</p> <p>4. Passed the amendment to the Company's Accountants Independence and Competency Assessment Regulations.</p> <p>5. Approved the formulation of the operating procedures for the preparation and verification of the Company's sustainability report</p> <p>6. Passed the Remuneration Committee to submit the 2023 annual performance evaluation of directors and managers and the implementation of remuneration and remuneration.</p> <p>7. The Remuneration Committee proposed to amend the Regulations Governing the Payment of Remuneration to Directors and Functional Members.</p>
The 13th meeting of the 10th session (Sep. 9, 2024)	<p>1. Through the investment in SUNPOWER SMART ENERGY CO., LTD.</p>
The 14th meeting of the 10th session (Nov. 8, 2024)	<p>1. Disclosed the first draft of the company's consolidated financial statements and notes for the third quarter of 2024.</p> <p>2. Passed the company's accounts receivable and overdue accounts receivable other than accounts receivable as of the end of September 2024, which are not in the nature of capital loans.</p> <p>3. Approved the Company's acquisition and disposal of machinery and equipment for business use.</p> <p>4. By cooperating with the internal rotation of Baker Tilly Clock & Co., the audit accountant of the Company's financial reports is to be replaced.</p> <p>5. Apply for quota renewal to the cooperative treasury bank - East Taipei Branch.</p> <p>6. Approved the amendment of some provisions of the Company's "Corporate Governance Code of Practice".</p> <p>7. Approved the revision of some provisions of the Company's internal material information processing procedures.</p> <p>8. Passed the amendment to the provisions of the "Procedures for Acquisition or Disposal of Assets" of the subsidiary Puyu Investment Co., Ltd.</p> <p>9. Approved the establishment of the Sustainability Committee under the Board of Directors, and formulated the "Organizational Rules of the Sustainability Committee" of the Company and changed the organizational structure of the Company.</p> <p>10. Approved the appointment of Mr. TSENG CHI LI, Chief Executive Officer, Mr. HSIAO MING YANG, General Manager, and Mr. HUNG WEN MING, Independent Director, as members of the Sustainable Development Committee.</p> <p>11. Passed the amendment of Chapter 11 "Other Management Control Systems" of the Company's internal control and internal audit system, Section 12 "Management of Sustainable Information".</p> <p>12. Approved the company's 2025 annual audit plan.</p> <p>13. Approved the 114 annual audit plan of each subsidiary of the Company.</p> <p>14. Accounts receivable- distributors of PSC (H.K.) Electronics Limited customers through its subsidiary.</p> <p>15. Invested in Rising Smart Energy Co., Ltd. through a subsidiary (Puyu Investment Co., Ltd.)</p> <p>16. Passed the Company's investment in SUNPOWER SMART ENERGY CO., LTD.</p>
The 15th meeting of the 10th session (Jan. 14, 2025).	<p>1. Renewed the contract with Fubon Insurance Company to purchase directors' and supervisors' liability insurance.</p> <p>2. Approved the company's 2024 financial budget and business plan.</p> <p>3. Apply for a short-term working capital loan from Bank of Taiwan Taoyuan Branch.</p> <p>4. Apply for the renewal of the comprehensive quota to the Taoying Branch of Banxin Commercial Bank.</p> <p>5. Amended the case of investment in SUNPOWER SMART ENERGY CO., LTD. through the Audit Committee.</p> <p>6. Proposed the year-end bonus plan for managers for 2024 through the remuneration committee.</p>
The 16th meeting of the 10th Session (Mar. 12, 2025).	<p>1. Approved the 2024 "Internal Control System Statement".</p> <p>2. Approved the 2024 business report and financial statements.</p> <p>3. Approved the 2024 loss compensation.</p> <p>4. Accounts receivable and overdue amounts other than accounts receivable through the Company as of the end of December 2024 are not funds Loan and nature cases.</p> <p>5. Approved the Company's acquisition and disposal of machinery and equipment for business use.</p> <p>6. Evaluate the independence and competency of the certified public accountant through the company.</p> <p>7. Passed the 2025- year accountant remuneration case of Baker Tilly Clock & Co.</p>

	8. Approved the scope of the company's junior employees.
	9. Approved the amendment to certain provisions of the Company's "Articles of Incorporation".
	10. Passed the amendment to the provisions of the Company's "Standard Operating Procedures for Handling Directors' Requests".
	11. Passed the re-appointment of Mr. Lin Liangcai attorney at law of CHYN DER Law Firm as the company's perennial legal counsel.
	12. Approved the re-election of directors (including independent directors) of the Company.
	13. Prepare and accept the proposals of shareholders for the 2025 annual general meeting of shareholders and accept candidates for directors (including independent directors) Nomination-related matters.
	14. Approve the list of candidates for nominee directors (including independent directors) and deliberate on the qualifications of nominees.
	15. Approved the convening of the 2025 general meeting of shareholders of the Company.

(10) Where, during the most recent year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof.: None

4. Information on the professional fees of the attesting CPAs

(1) Professional fees of the attesting CPAs:

Unit: NT\$ thousand

Name of Accounting Firm	Names of CPAs	Duration of Audit	Audit fee	Non- Audit fee	Total	Note
Baker Tilly Clock & Co.	TSENG KUO FU	January 1, 2024 to Sep. 30, 2024	1,580	124(Note1)	1,704	
	LAI CHIA YU	January 1, 2024 to Sep. 30, 2024				
	WU HSIN LIANG	July 1, 2024 to Dec. 31, 2024				

Note 1: The non-audit public expense is 100 thousand yuan for business tax visa, and 18 thousand yuan for the review of shareholders' meeting manual and annual report, The resignation of the director was changed by 6 thousand.

(2) If there is a change in the accounting firm, and the audit fees paid for the year in which the change took place are lower than those paid for the fiscal year immediately preceding the change, the amount and reason for the reduction in audit fees shall be disclosed: There is no such situation.

(3) When the audit fees paid for the current fiscal year are lower than those paid for the immediately preceding fiscal year by 10% or more, the amount and percentage of and reason for the reduction in audit fees shall be disclosed: There is no such situation.

5. Information on replacement of certified public accountant:

Due to the internal rotation of Baker Tilly Clock & Co., since July 1, 2024, CHENG HSIEN HSIU Accountant has been replaced by WU HSIN LIANG Accountant.

6. The chairman, president, managerial in charge of financial or accounting affairs of the Company, who has worked in the firm or affiliated company of the certified public accountant within the last year: None

7. In the most recent year to the date this report was printed, directors, supervisors, managerial officers and the shareholders holding more than 10% of the shares in the transfer of shares and pledge of shares under lien, and any change thereof.

(1) Changes in equity transfer of directors, managerial officers and major shareholders:

Unit: share

Title	Name	2024		As of April 13, 2025	
		Increase (decrease) in No. of Shares	Increase (decrease) in No. of Pledged Shares	Increase (decrease) in No. of Shares	Increase (decrease) in No. of Pledged Shares
Chairman	CHENG AN INVESTMENT CO., LTD.	0	0	0	0
Director	LEE MAO TONG	0	0	0	0
Director and Vice President of Manufacturing Division	LEE WEI HSIN	0	0	0	0
Independent Director	WU TSENG FENG	0	0	0	0
Independent Director	TAI KUO MING	0	0	0	0
Independent Director	TUAN MU CHENG	0	0	0	0
Independent Director	HUNG WEN MING	0	0	0	0
Chief Executive Officer	TSENG CHI LI	0	0	0	0
President	HSIAO MING YANG	0	0	0	0
Assistant Vice President of Management Division concurrently serving as Director of Financial and Accounting and Corporate Governance Officer	CHAN KUAN MIN	0	0	0	0
Assistant Vice President of Quality Assurance Division	YU HSIU WEN	0	0	0	0

(2) Information on equity transfer

Name	Reason for equity transfer	Date of transaction	Transaction counterparty	Relationship between the transaction counterparty and the Company, directors, supervisors, managerial officers, and shareholders holding more than 10% of the shares	Number of shares	Transaction price
None						

(3) Information on equity pledge

Name	Reason for changes in pledge	Date of change	Transaction counterparty	Relationship between the transaction counterparty and the Company, directors, supervisors, managerial officers, and shareholders holding more than 10% of the shares	Number of shares	Shareholding ratio	Pledge ratio	Pledge (redemption) amount
None								

8. Information on shareholders among the top 10 by proportion of shareholding who are related parties to one another or spouse, kindred within the 2nd degree of kinship

Name (Note 1)	Own shareholdings		Shares held by Spouse & minor children		Shares held through nominees		If there are related parties, spouses, kindred within the 2nd degree of kinship among the top 10 shareholders, give the names and affiliations of such shareholders (note 3)		Remark
	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Name	Relation	
LEE MAW CHANG	14,883,066	8.96%	0	0	0	0	LEE MAO TONG	Brother	
SHEN CHEN CHIEN	10,623,000	6.39%	0	0	0	0	None	None	
TSENG CHI LI	9,561,794	5.76%	819,405	0.49%	0	0	None	None	
CHEN DA YU	7,786,000	4.69%	0	0	0	0	None	None	
LEE MAO TONG	5,276,660	3.18%	3,011,371	1.81%	0	0	LEE MAW CHANG	Brother	
JIA ZHI HAO	4,763,000	2.87%							
Hung Kuan Investment Co., Ltd., Representative NIEN, CHIA-CHUN	4,511,235	2.72%	0	0	0	0	None	None	
	0	0	0	0	0	0	None	None	
WU CHIA LI	3,981,470	2.40%	0	0	0	0	None	None	
JIA YU LIAN	3,566,000	2.15%	0	0	0	0	None	None	
LEE WEI HSIN	3,452,993	2.08%	358	0.00%	0	0	None	None	

Note 1: All the top ten shareholders shall be listed; in case of corporate shareholders, the names of the corporate shareholders and the names of the their representatives shall be listed separately.

Note 2: The calculation of the shareholding ratio refers to the shareholding ratio calculated in the name of oneself, the spouse, and minor children or nominees, respectively.

Note 3: For the shareholders listed above (including corporate and natural persons), the relationships among them shall be disclosed in accordance with the provisions of the Regulations Governing the Preparation of Financial Reports by Issuers.

9. The number of shares held by the Company, the Company's directors, managerial officers and enterprises directly or indirectly controlled by the Company in the same reinvested enterprise, and the comprehensive shareholding ratio:

Investee (Note 1)	Investment made by the Company		Investment made by directors, managerial official and direct or indirect subsidiaries		Combined investment	
	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio
PSC ENTERPRISE CO.,LTD.	9,725,000	100%	0	0	9,725,000	100%
ENRICH NATIONALS TRADE LIMITED	1,106,222	100%	0	0	1,106,222	100%
GIA TZOONG (ShenZhen) Ltd.	0	0	Not applicable (note 2)	100%	Not applicable (note 2)	100%
PSC (H.K.) ELECTRONICS LIMITED	10,000	100%	0	0	10,000	100%
Puyu Investment Co., Ltd.	2,000,000	100%	0	0	2,000,000	100%

Note 1: Refers to the investment of the Company using the equity method.

Note 2: Not applicable: Non-limited liability companies by shares have not issued shares. The Company is represented by shareholding ratio.

III. Capital Overview

1. Capital and shares

(1) Sources of Share Capital

1. Formation process of Share capital

Unit: share

April 18, 2025

Month/ Year	Issued price (NT\$)	Authorized Share capital		Paid in Share capital		Remarks		
		Number of Shares	Amount	Number of Shares	Amount	Sources of Share capital	Property other than cash is paid by subscribers	Other
Sep. 1988	10	1,000	10,000,000	1,000	10,000,000	Established by capital raising	None	77-Chien-san-ting-ti No. 355674
Feb. 1990	10	4,000	40,000,000	4,000	40,000,000	Cash capital increase NT\$30,000,000	None	Ching (79)Shang-tzu-ti No. 102502
Jan. 1995	10	12,000	120,000,000	12,000	120,000,000	Cash capital increase NT\$80,000,000	None	Ching (84)Shang-tzu-ti No. 100573
Sep. 1995	10	19,800,000	198,000,000	19,800,000	198,000,000	Cash capital increase NT\$78,000,000	None	Ching (84)Shang-tzu-ti No. 117889
Dec. 1996	10	50,000,000	500,000,000	29,700,000	297,000,000	Capital increase by earnings recapitalization NT\$99,000,000	None	(85)Tai-tsai-cheng-(1) ti No. 58270
June 1997	10	50,000,000	500,000,000	39,600,000	396,000,000	Cash capital increase NT\$39,600,000 Capital increase by earnings recapitalization NT\$59,400,000	None	(86)Tai-tsai-cheng-(1) ti No. 48480
Dec. 1998	10	90,000,000	900,000,000	56,687,000	566,870,000	Cash capital increase NT\$70,000,000 Capital increase by earnings recapitalization NT\$100,870,000	None	(87)Tai-tsai-cheng-(1) ti No. 59678 (87)Tai-tsai-cheng-(1) ti No. 103385
Aug. 1999	10	90,000,000	900,000,000	62,482,270	624,827,000	Capital increase by earnings recapitalization NT\$41,594,370 Capital increase by capital reserve NT\$16,362,630	None	(88)Tai-tsai-cheng-(1) ti No. 70993
June 2000	10	90,000,000	900,000,000	68,828,970	688,289,700	Capital increase by earnings recapitalization NT\$32,221,350 Capital increase by capital reserve NT\$31,241,350	None	(89)Tai-tsai-cheng-(1) ti No. 54998
May 2001	10	90,000,000	900,000,000	74,508,346	745,083,460	Capital increase by earnings recapitalization NT\$56,793,760	None	(90)Tai-tsai-cheng-(1) ti No. 130612
June 2002	10	108,000,000	1,080,000,000	74,508,346	745,083,460	Raise authorized capital share NT\$1,080,000,000	None	Ching-shou-shang-tzu-ti No. 09101253500
June 2003	10	148,000,000	1,480,000,000	74,508,346	745,083,460	Raise authorized capital share NT\$1,480,000,000	None	Ching-shou-shang-tzu-ti No. 09201214300
June 2004	10	168,000,000	1,680,000,000	74,508,346	745,083,460	Raise authorized capital share NT\$1,680,000,000	None	Ching-shou-shang-tzu-ti No. 09301151390
May 2006	10	168,000,000	1,680,000,000	79,879,721	798,797,210	Transferred from corporate bond NT\$53,713,750	None	Ching-shou-shang-tzu-ti No. 09501080100
June 2006	10	168,000,000	1,680,000,000	77,885,210	778,857,210	Cancellation of treasury stock NT\$19,940,000	None	Ching-shou-shang-tzu-ti No. 09501126910

Month/ Year	Issued price (NT\$)	Authorized Share capital		Paid in Share capital		Remarks		
		Number of Shares	Amount	Number of Shares	Amount	Sources of Share capital	Property other than cash is paid by subscribers	Other
July 2006	10	168,000,000	1,680,000,000	86,214,233	862,142,330	Transferred from corporate bond NT\$83,285,120	None	Ching-shou-shang-tzu-ti No. 09501164530
Oct. 2006	10	168,000,000	1,680,000,000	90,671,353	906,713,530	Transferred from corporate bond NT\$44,571,200	None	Ching-shou-shang-tzu-ti No. 09501245250
Feb. 2007	10	168,000,000	1,680,000,000	94,042,774	940,427,740	Transferred from corporate bond NT\$33,714,210	None	Ching-shou-shang-tzu-ti No. 09601026580
May 2007	10	168,000,000	1,680,000,000	101,386,517	1,013,865,170	Transferred from corporate bond NT\$73,437,430	None	Ching-shou-shang-tzu-ti No. 09601102300
Aug. 2007	10	168,000,000	1,680,000,000	107,457,944	1,074,579,440	Transferred from corporate bond NT\$60,714,270	None	Ching-shou-shang-tzu-ti No. 09601196450
Oct. 2007	10	168,000,000	1,680,000,000	117,548,117	1,175,481,170	Transferred from corporate bond NT\$100,901,730	None	Ching-shou-shang-tzu-ti No. 09601267220
Feb. 2008	10	168,000,000	1,680,000,000	117,709,724	1,177,097,240	Transferred from corporate bond NT\$1,616,070	None	Ching-shou-shang-tzu-ti No. 09701024200
Jan. 2009	10	168,000,000	1,680,000,000	132,524,524	1,325,245,240	Issued new shares via private placement NT\$ 148,148,000	None	Ching-shou-shang-tzu-ti No. 09801016170
Apr. 2009	10	168,000,000	1,680,000,000	132,680,774	1,326,807,740	Transferred from corporate bond NT\$1,562,500	None	Ching-shou-shang-tzu-ti No. 09801082710
Aug. 2009	10	168,000,000	1,680,000,000	137,028,594	1,370,285,940	Issued new shares via private placement NT\$ 43,478,200	None	Ching-shou-shang-tzu-ti No. 09801171690
Oct. 2009	10	168,000,000	1,680,000,000	137,995,253	1,379,952,530	Transferred from corporate bond NT\$9,666,590	None	Ching-shou-shang-tzu-ti No. 09801246220
Jan. 2010	10	168,000,000	1,680,000,000	138,036,919	1,380,369,190	Transferred from corporate bond NT\$416,660	None	Ching-shou-shang-tzu-ti No. 09901020000
Apr. 2010	10	168,000,000	1,680,000,000	143,628,570	1,436,285,700	Transferred from corporate bond NT\$55,916,510	None	Ching-shou-shang-tzu-ti No. 09901081790
July 2011	10	168,000,000	1,680,000,000	143,710,770	1,437,107,700	share transfer from employee stock option NT\$822,000	None	Ching-shou-shang-tzu-ti No. 10001174270
Nov. 2011	10	168,000,000	1,680,000,000	155,249,231	1,552,492,310	Cash capital increase NT\$115,384,610	None	Ching-shou-shang-tzu-ti No. 10001257890
Jan. 2012	10	168,000,000	1,680,000,000	155,282,844	1,552,828,440	Transferred from corporate bond NT\$336,130	None	Ching-shou-shang-tzu-ti No. 10101012130
Feb. 2013	10	250,000,000	2,500,000,000	159,496,164	1,594,961,640	Transferred from corporate bond NT\$42,133,200	None	Ching-shou-shang-tzu-ti No. 10201024350
May 2013	10	250,000,000	2,500,000,000	160,722,822	1,607,228,220	Transferred from corporate bond NT\$12,266,580	None	Ching-shou-shang-tzu-ti No. 10201089910
Aug. 2013	10	250,000,000	2,500,000,000	161,936,816	1,619,368,160	Transferred from corporate bond NT\$8,399,940 share transfer from employee stock option NT\$3,740,000	None	Ching-shou-shang-tzu-ti No. 10201173590
Nov. 2013	10	250,000,000	2,500,000,000	162,136,815	1,621,368,150	Transferred from corporate bond NT\$1,999,990	None	Ching-shou-shang-tzu-ti No. 10201233530
Feb. 2014	10	250,000,000	2,500,000,000	164,070,144	1,640,701,440	Transferred from corporate bond NT\$19,333,290	None	Ching-shou-shang-tzu-ti No. 10301027310

Month/ Year	Issued price (NT\$)	Authorized Share capital		Paid in Share capital		Remarks		
		Number of Shares	Amount	Number of Shares	Amount	Sources of Share capital	Property other than cash is paid by subscribers	Other
May 2014	10	250,000,000	2,500,000,000	166,230,137	1,662,301,370	Transferred from corporate bond NT\$21,599,930	None	Ching-shou-shang-tzu-ti No. 10301089670
Aug. 2014	10	250,000,000	2,500,000,000	167,963,463	1,679,634,630	Transferred from corporate bond NT\$17,333,260	None	Ching-shou-shang-tzu-ti No. 10301170420
Nov. 2014	10	250,000,000	2,500,000,000	168,496,795	1,684,967,950	Transferred from corporate bond NT\$5,333,320	None	Ching-shou-shang-tzu-ti No. 10301237650
Dec. 2014	10	250,000,000	2,500,000,000	166,562,795	1,665,627,950	Cancellation of treasury stock NT\$19,340,000	None	Ching-shou-shang-tzu-ti No. 10301262270
Feb. 2015	10	250,000,000	2,500,000,000	171,936,126	1,719,361,260	Transferred from corporate bond NT\$53,733,310	None	Ching-shou-shang-tzu-ti No. 10401027300
Apr. 2015	10	250,000,000	2,500,000,000	173,722,792	1,737,227,920	Transferred from corporate bond NT\$17,866,660	None	Ching-shou-shang-tzu-ti No. 10401067910
Dec. 2015	10	250,000,000	2,500,000,000	166,122,792	1,661,227,920	Cancellation of treasury stock NT\$76,000,000	None	Ching-shou-shang-tzu-ti No. 10401269360

2. Type of Stock

Type of Stock	Authorized Share capital			Remark
	Outstanding shares	Unissued stock	Total	
Ordinary shares	166,122,792	83,877,208	250,000,000	TPEX listed company

(2) List of Major Shareholders

April 13, 2025

Shares	Number of Shares	Ratio of Shareholding
Name of major shareholder		
LEE MAW CHANG	14,883,066	8.96%
SHEN CHEN CHIEN	10,623,000	6.39%
TSENG CHI LI	9,561,794	5.76%
CHEN DA YU	7,786,000	4.69%
LEE MAO TONG	5,276,660	3.18%
JIA ZHI HAO	4,763,000	2.87%
Hung Kuan Investment Co., Ltd	4,511,235	2.72%
WU CHIA LI	3,981,470	2.40%
JIA YU LIAN	3,566,000	2.15%
LEE WEI HSIN	3,452,993	2.08%

(3) Dividend policy and implementation status of the Company:

1. Dividend policy stipulated in the Company's Articles of Incorporation

- (1) If there is a surplus in the Company's annual final accounts, the Company shall pay taxes first and make up for past losses. Then, 10% thereof shall be appropriated as the legal reserve, unless the legal reserve has reached the total paid-in capital of the Company. The special reserve shall also be appropriated or reversed in accordance with the laws and regulations or requirements of the competent authority. If there is still any surplus, the balance thereof shall be added to the accumulated undistributed earnings of previous years. The Board of Directors shall prepare a distribution proposal and submit it to the shareholders meeting for a resolution before distribution.
- (2) The Company is in the electronics manufacturing industry. Considering that with the distribution of stock dividends to shareholders for the year making profits, although the Company can retain funds for engaging in R&D and business expansion activities, it also inflates the share capital. If the profit cannot increase proportionally, it will decrease earnings per share and adversely affect shareholders' equity. Thus, the current dividend policy of the Company adheres to a cash dividend policy. Its implementation method is based on the Company's future capital budget planning to measure the capital needs of the future year, and then to distribute cash dividends as much as possible. The implementation ratio of the aforementioned cash dividend policy is that cash dividends shall be the major part among the dividends to be distributed, whereas stock dividends (including surplus allotment and capital reserve allotment) shall be less than 50% thereof.

2. The dividend distribution proposed by shareholders this time (approved by the Board of Directors, but not yet approved by the shareholders meeting)

The Company's 2024 loss provision proposal has been drawn up by the Board of Directors: the loss to be made up at the end of the current period is in the amount of NT\$700,622,768, and thus no surplus for the year 2024 will be distributed.

3. Any expected major change in the dividend policy: None.

- (4) The effect of the free-gratis dividends proposed for this shareholders meeting on the Company's operating performance and earnings per share: Not applicable (None).

(5) Remuneration of employees and directors

1. The percentage or scope of the remuneration for employees and directors stated in Article 23 of the Company's Articles of Incorporation: The Company's profit before tax in the current year, before deducting the remuneration to be distributed to employees, directors, shall be first retained to make up for the accumulated losses; then, if there is any remaining balance, no less than 3% thereof shall be appropriated as employee remuneration, and no more than 2% thereof as director remuneration.

Decisions on employee remuneration and the distribution ratio of director remuneration, as well as whether the employee remuneration is distributed in stock or in cash, shall be resolved by the Board of Directors with the attendance of two thirds or more of the directors and with the consent of more than half of the directors in attendance, and shall be reported to the shareholders meeting.

Employee remuneration is distributed in stock or in cash to counterparties including employees of affiliated companies who meet certain conditions.

According to the remuneration payment guidelines formulated by the Company, directors shall only be paid for fixed remuneration and attendance fees. The managerial officer remuneration includes the salary and bonus, and the salary is based on the Company's salary system considering items such as the job title, rank, academic background and work experience, and professional skills. The bonus is distributed according to the performance evaluation results of the managerial officer in each quarter, which includes the manager's organizational leadership, internal management performance, moral, skills, and planning creativity, also taking account of the Company's revenue and profit status, the achievement rate of operating goals, etc., and is determined in accordance with the procedure.

2. The estimation basis for the estimated amount of remuneration for employees and directors in the current period; the calculation basis of the number of shares for employee remuneration distributed in stock; and the accounting treatment when the actual distribution amount is different from the estimated amount: The basis for estimation is in accordance with the Company's Articles of Incorporation. If there is a discrepancy between the actual distribution amount and the estimated amount, it shall be handled in accordance with relevant laws and regulations.
3. The distribution status of remuneration approved by the Board of Directors: Due to the net loss after taxes in the current period, there is no distribution of remuneration this year.
4. If the actual distribution status of the remuneration for employees and directors in the previous year (including the number of shares distributed, amount and stock price)

is different from the recognized remuneration for employees and directors, the amount of the difference, the reason, and the handling status shall be clearly stated: The Company approved at the tenth meeting of the 10th Board of Directors in 2024 and the shareholders' meeting on June 13, 2024 that there will be no distribution of earnings in 2023.

(6) Repurchase of Company shares: None

2. Status of Corporate bond: None

3. Status of preferred share: None

4. Status of overseas depository receipt: None

5. Status of employee stock options:

As of the publication date of the annual report, no employee stock options was issued.

6. Status of new employee restricted share undertaking:

As of the publication date of the annual report, no new employee restricted share was issued.

7. Status of issuance of new shares due to merger and acquisition or acceptance of shares transferred by other companies: None

8. Implementation status of the fund utilization plan: None

IV. Operational Overview

1. Business content

(1) Business scope

1. The main content of the business and its proportion in business

Unit: NT\$1,000

Classification of circuit boards	2024 revenue	Proportion in business
Printed circuit board	481,720	100.00%
Total	481,720	100.00%

2. The Company's current product: printed circuit boards

- (1) MCPCB aluminum/copper substrates
- (2) FR4 multilayer circuit board products, including high-power circuit board and HDI circuit board
- (3) DBC ceramic substrate(Al_2O_3)
- (4) Hybrid circuit boards

3. New products planned for development

- (1) Ceramic/FR4 composite circuit board.
- (2) DBC ceramic substrate (AlN)

(2) Industry overview

1. Current status and development of the industry

Due to international political instability, the global consumption of the electronics industry will continue to be sluggish in 2024, resulting in a continued recession in the circuit board industry. Due to the rise of the AI industry, the rapid development of the AI server, high-power power supply and communication electronic module industries has also triggered the rise of composite circuit boards.

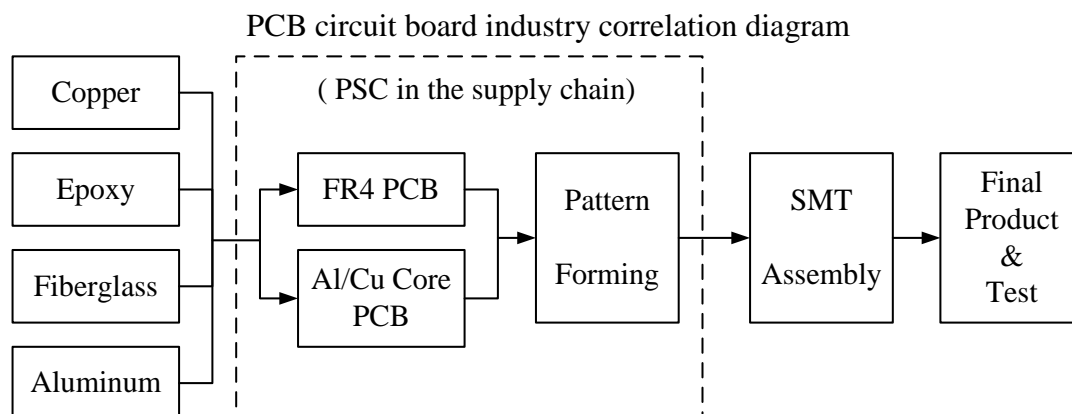
Looking forward to 2025, it is expected that the prosperity of traditional circuit board products is still not optimistic. However, the AI-related electronic components/components industry still maintains growth momentum. At the same time, the trend of high-power circuit boards is that the current is increasing, and the technology of heat dissipation is becoming more and more important. Therefore, the growth momentum of heat-dissipating aluminum/copper substrates, high-power circuit boards, copper-clad ceramic circuit boards, and composite circuit boards should be higher than that of conventional circuit boards.

According to the market trend, the demand for AI products for high power, information streaming, thinness and shortness is rising, and the composite circuit board will be able to meet market expectations, and it is expected that the composite circuit board will have breakthrough growth in 2025.

2. The relationship between the upstream, midstream, and downstream reaches of the industry

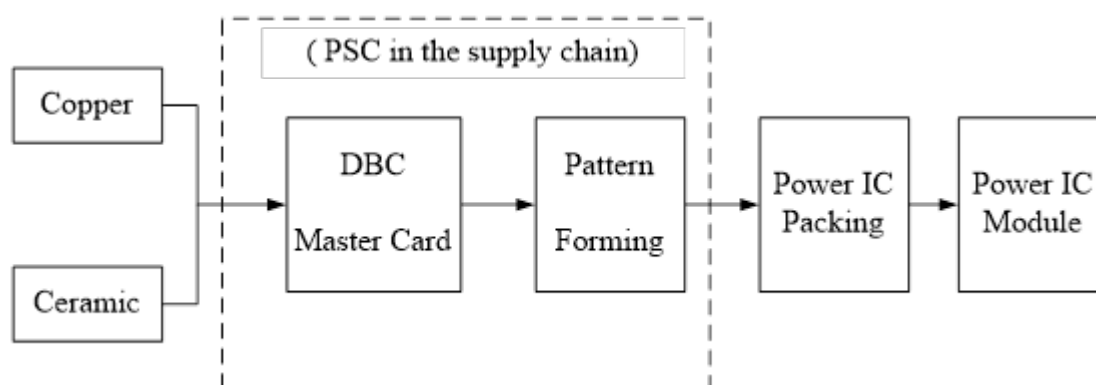
PCB circuit boards can be mainly divided into five categories: rigid boards, flexible boards, IC substrates/substrate-like substrates, rigid-flex boards and metal substrates MCPCB. The structure of the printed circuit board is mainly based on insulating materials and metal materials, and then according to the circuit design, the wire line connecting the electronic components is drawn into a circuit pattern, and then the required electronic circuit is left on the printed circuit board by exposure, development, etching, machining, surface treatment, etc., and becomes the substrate connecting all electronic components. The printed circuit board is the substrate

before assembling electronic components, and its function is to connect and carry components, which is the main support for the installation and interconnection of electronic components, and is an indispensable basic part of all electronic products.



Copper-clad ceramic substrates are divided into DBC and AMB according to the manufacturing process. Using DBC or AMB technology, the copper foil is combined on the ceramic substrate, and then the required power electronic circuits are left on the copper-clad ceramic substrate by exposure, development, etching, machining, surface treatment, etc., and then packaged into power semiconductor components through IC.

DBC copper-clad ceramic substrate industry correlation chart



3. Various development trends in products

The trend of electronic products has always been light, thin, short and small, and printed circuit boards are also developing towards multi-layer, fine-line, small aperture and thin layers. At present, 3C products, 5G communication products, portable electronics and AI-related products, due to the increasing power demand, not only need high-density HDI circuit boards, but also require higher conductivity to reduce power loss, so the development trend of HDI and 3D stacked electronic components, the niche market of composite circuit boards has also emerged.

In recent years, due to the problem of carbon emissions, the rise of energy storage and electric vehicle industries, the demand for high-power, high-heat dissipation circuit boards and DBC copper-clad ceramic substrates has also shown continuous growth, which is in line with the niche market of the company's core technology extension.

In response to market trends, the company's research and development of various products and technologies in recent years is mainly divided into three categories: (1) high-density HDI circuit boards; It is used in electronic products such as composite electronic component modules, SIP carrier boards, etc. (2) High thermal conductivity metal power circuit boards; It is used in power IC module circuit boards, power circuit boards for electric vehicles and other products. (3) DBC copper-clad ceramic substrate; Power IC modules for applications of 650V or more.

In summary, a considerable proportion of the application market for new products belongs to the IC industry, which helps to enhance the company's core competitiveness.

4. Competition situation

Whether it is FR4 circuit board or DBC ceramic substrate: "Made in China" enjoys a low-cost price competitive advantage, the products of European, American and Japanese manufacturers have high market price and high reliability, The price and quality of the company's products are in between. Therefore, the customized niche market will be one of the target markets of the company.

The current international situation has led to the rise of trade barriers, resulting in the collapse of the trend of globalization, and the gradual formation of regional economic circles. The transformation of global competition into regional competition is for the Company; The advantage is that there are fewer intra-regional competitors; The disadvantage is that the company is not able to compete in individual regional economies abroad. Therefore, niche products in the regional market are the target market of Jiazong.

(3) Overview of technology and R&D

1. Research and development expenses invested in this year and every year as of the printing date of the annual report: The research and development expenses in 2024 were in the amount of NT\$16,189,000.

As of the date of printing of the annual report, the financial statements reviewed by accountants for the first quarter of 2025 have not been obtained.

2. Successfully developed technologies or products

(1) Successfully developed technologies and products

- A.High-end (6th level or above) HDI/Any-layer circuit board products have entered the mass production stage.
- B.DBC ceramic substrate (AlN) has completed the R&D sample test and entered the trial mass production stage.
- C. DBC ceramic substrate Al₂O₃ is in mass production.
- D. Hybrid circuit board, complete the R&D sample test.

(2) Research and development plans for future years

1. For hybrid circuit boards, increase product structure changes and expand the market application range.
2. Optimize the process conditions for DBC ceramic substrate(AlN) to improve yield and product reliability.

Future R&D plans are as follows:

Main product category	R&D plan name	Mass production schedule	R&D plan content	Key factors for successful R&D	R&D plan current progress	Estimated investment
Hybrid circuit board	3D stacked circuit boards	2025 Q3	1. Development of high aspect ratio hole filling plating process 2. Development of embedded technology for electronic parts	Feedback on client product verification issues	1. Completion rate 60%	15 million
DBC ceramic substrate(AlN)	DBC process optimization	2025 Q3	1. DBC ceramic substrate (AlN) process optimization 2. Development of AlN surface coating materials	Signed a long-term cooperation agreement with ITRI	1. Completion rate 85%	6 million

(4) Long-term and short-term business development plans

High-power/heatsink/composite circuit boards are our core products, so we develop products in different application fields based on the extension of core technologies. Therefore, the direction of business development is to promote core products to different levels of markets.

1. Long-term: Aiming at power module/communication module 3D components, semiconductor IC design manufacturers as target customers.
2. Short-term: Target market for high-power/heatsink/ Hybrid circuit boards, and target customers for electronic components/system designers.

2. Overview of market, production, and sales

(1) Market analysis

1. Sales area of main products

Unit: NT\$1,000

	Revenue from external clients		Non-current assets	
	2024	2023	Dec. 31, 2024	December 31, 2023
Taiwan	\$341,420	\$282,664	\$365,523	\$386,850
Asia	67,988	79,542	480	275
America	30,313	32,704	—	—
Europe	36,028	96,048	—	—
Other	5,971	5,619	—	—
Total	\$481,720	\$496,577	\$366,003	\$387,125

2. Main competitors:

- (1) The main competitors of the Company's traditional circuit board and copper-clad ceramic substrate products come from the "Made in China" low-price competition, and only by mastering the advantages of innovation, product development and advance layout can we create product differentiation.
- (2) For traditional circuit board products, the rise of the regional economy, Southeast Asia has gradually become a very threatening low-cost competitor in the future.
- (3) Hybrid circuit boards, which are still in the product growth stage, belong to the development competition of integrated technology.

3. Market share and future market supply and demand situation and growth:

PCB circuit boards are an indispensable basic component of various electronic products, and they are still a thriving and highly growing industry. The explosive growth of new industries such as AI and electric vehicles has driven the continuous growth of the PCB and circuit board industry; In particular, 3D stacked power modules/systems with high power/heat dissipation requirements should grow at a compound growth rate of more than 10% in the next few years.

4. Business objectives:

In the short term, high-power/heat dissipation circuit boards are the main target market, and composite module components are the long-term target market.

5. Favorable and unfavorable factors and countermeasures for competitive niches and development prospects:

- (1) Competitive niche: The company is a small and medium-sized factory, which has the advantages of both large factory process capabilities and small factory flexible scheduling to meet customer needs. The high-power/heat dissipation circuit boards that the Company is actively developing have more complex technologies to match, especially the hybrid circuit boards, which involve packaging technology, and the technical integration is difficult, which is obviously differentiated from the market of other manufacturers in the same industry, and is the company's niche products.

(2) Favorable factors

- (a) The company has obtained the IATF-16949 global certification for automotive steel, which can provide better product quality to customers.
- (b) Heat-dissipating circuit board technology is the core technology of the company. The rapid growth of the power module/system product market is conducive to the company's market development.
- (c) Our long-term cooperation with ITRI is a long-term cooperation to deepen the technological energy and contribute to the development of new technologies and products.
- (d) Due to the completion of the development of DBC ceramic substrate, It has been certified by the power semiconductor company, which helps to enhance the company's image.

(3) Unfavorable factors

- (a) The rise of the regional economy has led to the large-scale relocation of PCB circuit board factories to Southeast Asia. The company is a small and medium-sized enterprise, the enterprise resources are not enough to set up factories abroad, and it is not easy to enter the ASEAN regional economic industry chain.
- (b) It is expected that the economy will still be poor in 2025, and the utilization rate of PCB factories in China is insufficient, and they are competing to cut prices and grab orders, resulting in a significant decrease in PCB profits.

(4) Countermeasures:

- (a) Strengthen high-power/high-heat dissipation circuit board technology, and develop innovative products through strategic alliances with manufacturers of high-conductivity and high-voltage resistant materials.
- (b) Deeply rooted in DBC copper-clad ceramic substrate technology, seeking power semiconductor manufacturers to pass the certification.
- (c) Strengthen technical exchanges with semiconductor manufacturers, establish partnerships, and jointly develop new products.

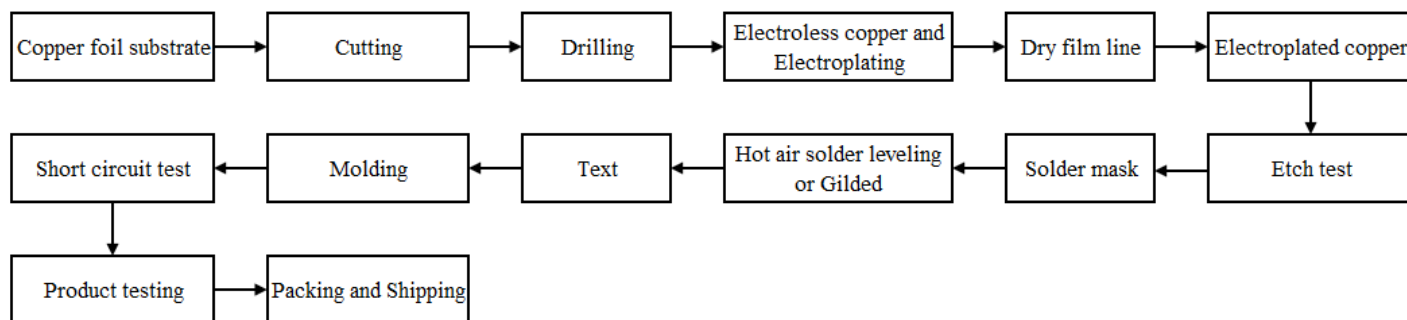
(2) Important uses and production processes of major products:

1. Main product usage:

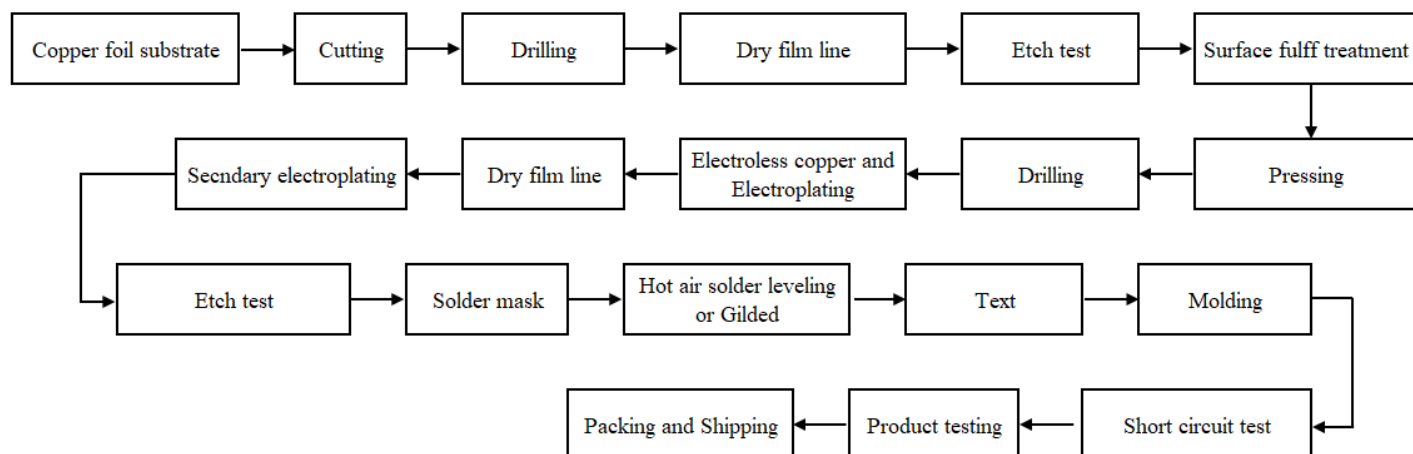
- (1) MCPCB aluminum/copper substrate: used for LED light products, high-power LED lighting, and high-heat dissipation products.
- (2) FR4 multilayer circuit board products: including high-power circuit board and HDI circuit board. High-power circuit boards: mainly used in power SiP modules, motor control drives, energy storage equipment, and high-power power systems. HDI circuit boards, mainly used in niche customer markets such as dash cams and automotive HUDs.
- (3) DBC ceramic substrate: It is a power semiconductor module substrate, and the application products are high-power electrical devices such as motor drives, inverters, and converters.

2. Manufacturing production process:

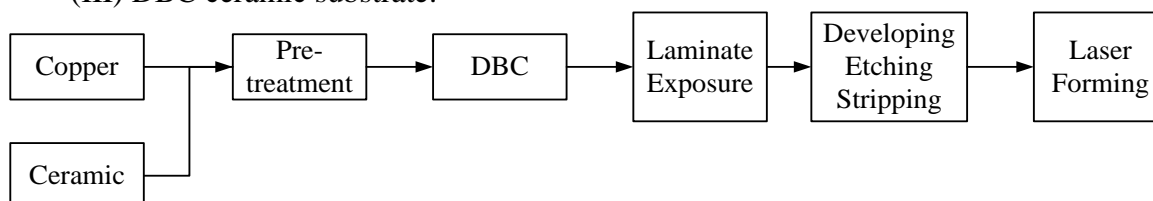
(I) MCPCB aluminum/copper substrate:



(II) FR4 Multilayer Board:



(III) DBC ceramic substrate:



(3) Supply status of main raw materials

The company's main raw materials are substrates, copper foils, glass cloth films, phosphor copper balls, aluminum plates, red copper plates, mirror aluminum plates, polyimide flexible substrates, dry films and inks, and ceramic substrates. And due to the requirements of customer environmental protection standards, the use of environmentally friendly substrates and environmentally friendly materials will relatively increase R&D expenses and material costs.

(4) Clients that have accounted for 10% or more of the total purchase (sales) in any of the last 2 years

1. The names of clients accounting for 10% or more of the total sales in the last 2 years, the sales amount and proportion, and the relationship with the issuer:

Unit: NT\$1,000

2023				2024				Q1 2025(Note1)			
Name	Amount	Ratio of annual net sales (%)	Relationship with the issuer	Name	Amount	Ratio of annual net sales (%)	Relationship with the issuer	Name	Amount	Ratio of annual net sales (%)	Relationship with the issuer
A	77,923	16	None	A	65,773	14	None	N/A			
B	90,079	18		B	29,856	6	None				
C	22,505	5		C	78,594	16					
Other	306,070	62		Other	307,497	64					
Net sales	496,577	100		Net sales	481,720	100		Net sales			

Reasons for the change:

- (1) The decrease in the sales amount of customer A was mainly due to the weakening market demand for automotive plates.
- (2) The main reason for the decrease in the sales amount of customer B is that the customer is a company in the nature of a tender.
- (3) The increase in the sales amount of customer C is mainly due to the increase in the proportion of orders placed by customers.

Note 1: As of the date of printing of the annual report, the financial statements reviewed by accountants in the first quarter of 2025 have not been obtained.

2. Names of clients that accounted for 10% or more of the total purchases in the last 2 years, the purchase amount and proportion, and their relationship with the issuer:

Unit: NT\$1000

2023				2024				2025 Q1(Note1)			
Name	Amount	Ratio of annual net purchases (%)	Relationship with the issuer	Name	Amount	Ratio of annual net purchases (%)	Relationship with the issuer	Name	Amount	Ratio of annual net purchases (%)	Relationship with the issuer
A	28,294	12	None	B	36,613	18	None	N/A			None
B	40,924	18		C	11,345	6	None				None
Other	158,099	70		Other	150,296	76					
Net purchases	227,317	100		Net purchases	198,254	100		Net purchases			

Reasons for the change:

- (1) The increase in the purchase amount of manufacturer A is mainly due to the competitiveness of the material.
- (2) The decrease in the purchase amount of factory B was mainly due to a decrease in customer orders for the use of this material.

Note 1: As of the date of printing of the annual report, the financial statements reviewed by accountants in the first quarter of 2025 have not been obtained.

3. Information of employees in the last two years and as of the date of publication of the annual report

Year		2023	2024	April 18, 2025
Number of employees	Management and indirect personnel	67	56	57
	R&D, technical personnel	32	34	32
	Operator	254	264	236
	Total	353	354	325
Average age		43	44	44
Average years of service		9.65	9.83	10.11
Educational distribution Ratio	PhD	0.00%	0.00%	0.00%
	Master	1.70%	1.41%	1.84%
	Junior college	34.84%	34.18%	36.92%
	Senior high school	53.83%	54.23%	54.16%
	Senior high school and below	9.63%	10.17%	7.08%

4. Information on environmental protection expenditures

(1) Losses caused by environmental pollution:

1. In 2024 and as of the publication date of the annual report, the Company has not incurred any loss or punishment due to environmental pollution.
2. The Company continues to comply with the requirements of ISO 14001, and combines the cost-saving plan of the production line with the concept of industrial waste reduction, and continues to reduce pollutant waste and conduct waste reduction management from the aspects of raw material management, manufacturing process improvement, equipment automation, recycling, and use of clean energy.

(2) Future environmental protection expenditures:

The estimated loss that may occur in the future is in the amount of NT\$100,000. Every year in the future, investment related expenses will be directed at pollution prevention, water quality improvement, air quality improvement, reduction of greenhouse gas emissions, regulatory compliance, and implementation of legal disposal of waste. In response to the Company's continuous updating of product manufacturing processes and international environmental trends, and for the diversification of waste disposal methods in the future, it is expected that related expenses such as permit changes or extensions will be incurred. Additionally, the international situation has caused a sharp increase in raw materials. The total environmental protection capital expenditure is estimated to be about NT\$28,805,000. The items are described as follows:

Year Item	2025	2026	2027
Pollution prevention and control equipment to be purchased or content of expenditure (wastewater, waste gas, waste, and other solutions)	<ul style="list-style-type: none"> * Water quality control and testing fees * Regular maintenance and update of equipment * Air pollution control and detection * Greenhouse gas reduction * Waste disposal fee * ISO14001 implementation and management * Implementation of waste reduction plan 	<ul style="list-style-type: none"> * Water quality control and testing fees * Regular maintenance and update of equipment * Air pollution control and detection * Greenhouse gas reduction * Waste disposal fee * ISO14001 implementation and management * Implementation of waste reduction plan 	<ul style="list-style-type: none"> * Water quality control and testing fees * Regular maintenance and update of equipment * Air pollution control and detection * Greenhouse gas reduction * Waste disposal fee * ISO14001 implementation and management * Implementation of waste reduction plan
Expected improvement	1. Comply with the requirements of environmental regulations 2. Continuous improvement and pollution reduction	1. Comply with the requirements of environmental regulations 2. Continuous improvement and pollution reduction	1. Comply with the requirements of environmental regulations 2. Continuous improvement and pollution reduction
Amount	28,805	28,805	28,805

5. Labor-management relations:

- (1) The Company's various employee welfare measures, continuing education, training, and retirement systems and their implementation status, as well as the agreement between labor and management and various employee rights and interests protection measures

1. Employee welfare measures

- (1) Establish a year-end bonus and dividend system to combine the interests of employees with the interests of the Company so as to create outstanding performance.
- (2) The Company has established a Labor Pension Reserve Supervisory Committee in accordance with the law, and has retirement guidelines in place for formally hired employees. The pension is allocated at the rate of 2% of the employee's total salary every month as the pension reserve which is deposited in a dedicated account in the Bank of Taiwan for safekeeping; the pension for employees adopting the new pension system is allocated monthly based on 6% of the total salary of the employee and deposited in the dedicated account of the Labor Insurance Bureau according to the individual's name, ID card number, and date of birth.
- (3) Strengthen various welfare measures, build staff dormitories, social halls, staff restaurants, etc. in order to seek the best benefits for employees.
- (4) Hold employee trips every year or distribute cash instead thereof; distribute gifts or gift money for the three major festivals; hold dinner parties; conduct lottery drawings at the end-year party; and provide various benefits, subsidies, and emergency assistance for weddings, funerals, celebrations, and festivals. In addition, we offer three free meals a day, labor insurance, national health insurance, group insurance, distribution of work uniforms, production bonuses, introductory and long-term bonuses, birthday gift money, employee health checks and lectures, special shops, childcare centers, and other welfare measures.
- (5) All employees of the Company enjoy dividends and allotment benefits, fully combining performance and remuneration.
- (6) The continuing education and training of employees are carried out in accordance with the annual training plan and the training of temporary needs in the operation, and are handled in accordance with the rules after the employee submits an application. The actual operation is currently good.
- (7) Formulate employee incentive guidelines and operating rules; reward employees who improve work efficiency and achieve quality goals; distribute bonuses, gifts, etc.

2. Retirement system and its implementation status

- (1) The Company has been approved by Taoyuan County Government letter No. 1989-Fu-She-Lao-Tzu-089308 to establish the Labor Pension Reserve Supervisory Committee. The labor retirement reserve is allocated at 2% of the total monthly salary and deposited in a dedicated account with the Bank of Taiwan to be used as a reserve for future payment of employee pensions. However, after the employee seniority has been settled in succession in 2016 under the aforementioned employee retirement plan, the Company has no further obligation to make any provision at present. The remaining balance in the dedicated account was withdrawn in February 2021 and canceled.
 - (2) The Labor Pension Act came into effect on July 1, 2005, and adopted a definite appropriation system. After implementation, employees may choose to apply the pension plan related to the “Labor Standards Act” (old system), or apply the pension system of the Act (new system) and retain the work seniority before the application of the Act (retain the seniority under the old system). For employees who choose to apply the new pension system, the Company allocates 6% of the employee's salary to the employee's personal pension account every month, and employees may also contribute their pension reserve according to their personal wishes.
 - (3) According to the Labor Pension Act, employees of the Company who have reached the age of 60 may apply for pension, and if they have worked for 15 years, they may choose to apply for monthly pension or one-off pension; if they have worked for less than 15 years, they shall only apply for one-off pension. Retirement application procedures and conditions are no less favorable than those under the regulatory requirements.
 - (4) According to the local laws and regulations, the subsidiary in China shall allocate pension insurance funds according to a certain percentage of the total salary of local employees every month. The pension of each employee is allocated uniformly by the local government on a monthly basis, and there is no further obligation.
3. Employee education and training: We conduct employee education and training in accordance with the education and training procedures and implement new employee education and training and on-the-job education and training according to the status of the personnel.

Education and training in 2024

Training category	Number of participants	Course hours	Average course satisfaction	Course pass rate
Newcomer training	54	680	95%	100%
Professional training	556	1818.5	92%	100%
Management training	848	3161	93%	100%
Statutory training	12	144	-	100%

* Newcomer training topics include: Company introduction, personnel regulations, information security, safety and health, environmental safety, and PCB whole process.

* Professional training includes: Ongoing management 、Carbon disc check 、IPC-A-600 、VDA6.3 、IATF16949.

* Management training includes: Management and practical courses for each unit.

* Statutory training includes: Directors and Supervisors Management Course 、Accounting 、Supervisor Course 、Auditor Course 、Fallout management staff 、energy management 、FIRE WARDEN.

(The statutory courses are external training courses , No satisfaction was available).

4. Labor-management agreement status

Since the Company has always paid attention to employee benefits, the relationship between labor and management has been harmonious over the years. There have been no labor disputes in the past 3 years, and no losses have been incurred therefrom.

5. Various employee rights and interests protection measures

The Company has formulated the “Employee Code of Conduct and Operational Rules”, the “Safety and Health Management Procedures”, and other rules to protect the rights and health of employees; it has also set up the whistleblower mailbox, sexual harassment prevention and complaint handling guidelines, and employee satisfaction surveys, etc., and the communication channels are smooth.

(2) Losses incurred due to labor disputes in the most recent year and as of the date of publication of the annual report

The Company's labor inspection results showed the violations of the Labor Standards Act as follows, and the possible administrative fine in the future is estimated to be in the amount of NT\$200,000. Due to system design and cost considerations, adjustments will be made depending on the operating conditions.

Date of disposition	Dispose of the font size	Violation of the provisions of the law	Content that violates laws and regulations	The content of the sanction
Nov. 01, 2024	Fu Lao Tiao Zi No. 1130300659	Article 24, Paragraph 1 of the Labor Standards Act	If the employer extends the working hours, the wages for the extended working hours shall be increased according to the following standards: 1. Those who extend their working hours for less than two hours shall be paid more than one-third of the hourly wage on weekdays. 2. Those who work longer hours for less than two hours shall be paid more than two-thirds of the hourly wage on weekdays. 3. In accordance with the provisions of Paragraph 4 of Article 32, those who extend their working hours shall be paid double the hourly wage on weekdays.	An administrative fine of NT\$150,000

6. Cyber security management:

(1) Clearly describe the cyber security risk management framework, cyber security policies, specific management plans, and resources invested in cyber security management, etc.

The cyber security risk management of the Company and its subsidiaries is coordinated, formulated and implemented by the General Management Department. The Company has formulated the “Cyber Security Policy and Management Guidelines” to strengthen the Company's cyber security organization, established the powers and responsibilities of information personnel, implemented cyber security management, and safeguarded information assets so as to ensure the smooth progress of the overall information business. The scope of cyber security is divided into ten items, and the division of work in business is set out as follows:

1. Formulation and evaluation of cyber security policy: cyber security organization.
2. Cyber security organization and powers and responsibilities: personnel, audit, and information units.
3. Classification and control of information assets: information and property management units.
4. Personnel safety management: personnel and information units.
5. Physical and environmental safety management: information unit.
6. Communication and operation management: information and business units.
7. Access control: information and business units.
8. System development and maintenance: information unit.
9. Operational continuity management: information unit.
10. Cyber security protection equipment: information unit.

(2) List the losses incurred due to major cyber security incidents in the most recent year and as of the date of publication of the annual report, possible impacts and countermeasures. If these cannot be reasonably estimated, the fact that they cannot be reasonably estimated shall be stated: Not applicable.

7. Important Contracts:

Manner of contract	Party	Contract Period	Main content	Restrictive clause
Medium term loan	Taiwan Cooperative Bank - East Taipei Branch	Aug. 11, 2020 - Aug. 11, 2025	Mortgage loan	No special restrictive clause
Short term loan	Taiwan Cooperative Bank - East Taipei Branch	Nov. 13, 2024 - Nov. 25, 2025	Mortgage loan	No special restrictive clause
Short term loan	Bank of Taiwan - Taoyuan Branch	Feb. 18, 2024 - Feb. 18, 2025	Mortgage loan	No special restrictive clause
Medium term loan	The Shanghai Commercial & Savings Bank, Ltd. - Yanping Branch	Aug. 19, 2020 - Aug. 19, 2025	Credit loan	No special restrictive clause
Short term loan	Bank of Panhsin-Taoying Branch	Jan. 3, 2025 - Jan. 3, 2026	Credit loan	No special restrictive clause
Medium term loan	Bank of Panhsin-Taoying Branch	Jan. 3, 2025 - Jan. 3, 2028	Credit loan	No special restrictive clause

V. Review of Financial Position, Financial Conditions, and Risk Matters

1. Consolidated Financial Position

Item \ Year	2024	2023	Variation	
			Amount	%
Current assets	725,133	877,192	(152,059)	(17)
Property, plant and equipment and right-of-use asset	360,082	371,629	(11,547)	(3)
Other assets	91,284	54,812	36,472	67
Total assets	1,176,499	1,303,633	(127,134)	(10)
Current liabilities	221,067	174,567	46,500	27
Non-current liabilities	16,933	40,996	(24,063)	(59)
Total liabilities	238,000	215,563	22,437	10
Share capital	1,661,228	1,661,228	0	0
Legal reserve	474	474	0	0
Other Equity	(22,580)	(26,489)	3,909	(15)
Retained earnings	(700,623)	(547,143)	(153,480)	28
Total shareholders equity	938,499	1,088,070	(149,571)	(14)
<p>The 20% difference in financial position and operating results is explained as follows:</p> <p>1.Other assets: Mainly due to the decrease in deferred tax assets and prepaid equipment payments.</p> <p>2.Current liabilities: Mainly due to the increase in non-current financial assets at fair value.</p> <p>3.Non-current liabilities: Mainly due to the decrease in long-term borrowings.</p> <p>4.Retained earnings: Mainly due to losses.</p>				

2. Consolidated Financial Performance

(1) Comparative Analysis of Operating Results

Item \ Year	2024	2023	Increase (decrease) amount	Variation Ratio
Operating revenue	481,720	496,577	(14,857)	(3)
Gross operating profit (loss)	(94,413)	(61,489)	(32,924)	54
Operating profit (loss)	(191,153)	(150,299)	(40,854)	27
Non-operating revenue and expense	41,031	16,126	24,905	154
Net profit (loss) before tax	(150,122)	(134,173)	(15,949)	12
Net profit (loss) for current year	(153,391)	(135,956)	(17,435)	13
Other comprehensive income(Net after tax)	3,820	1,779	2,041	115
Comprehensive income attributable to owners of the parent	(149,571)	(134,554)	(15,017)	11
Comprehensive income attributable to non-controlling interest	0	377	(377)	(100)

Note: The financial performance of 2024 and 2023 is filled in with consolidated financial information.

Explanation of the change analysis of the ratio of increase and decrease:

1. Changes in gross operating loss and net operating loss: operating income decreased by 3% compared with last year; The increase in operating costs compared with last year was mainly due to the loss of inventory decline, the increase in electricity charges and the increase in salary expenses. Therefore, the change in gross operating loss is mainly due to the increase in costs; The net operating loss is the same as above.
2. Changes in net non-operating income and expenses: Mainly due to the increase in foreign currency exchange benefits.
3. Changes in net loss and total comprehensive income attributable to the owner of the parent company for the current period: The increase in net loss for the period was mainly attributable to the decrease in net non-operating income and expenditure.
4. Changes in other comprehensive gains and losses (net after tax): Mainly due to the increase in the exchange difference in the translation of the financial statements of foreign operating institutions.
5. Changes in the total comprehensive income attributable to non-controlling interests: It is mainly due to the change in the equity of subsidiaries.

(2) Analysis of changes in gross operating profit:

Ditto (1) 1. Changes in operating revenue, gross operating loss, and net operating loss.

(3) The expected sales volume in the coming year and its basis and the main factors affecting the Company's expected sales volume to continue to grow or decline:

1. Expected sales volume in the coming year: 2.2 million square feet (including the sales volume of products)
2. The main factors affecting the Company's expected sales volume to continue to grow or decline:

The company's products are mainly used in high-power/high-thermal conductivity device industries such as on-board systems, power drives, industrial controls, energy storage equipment, LED lighting, etc., and composite circuit boards are niche market-oriented. Based on this, the company's niche and market development trends are described as follows:

- (1) MCPCB (aluminum/copper):
Sales of high-heat dissipation products are expected to continue to grow.
- (2) FR4 multilayer circuit board products:
Sales of traditional FR4 multilayer circuit boards are expected to decline slightly due to fierce price competition in the market.
- (3) DBC copper-clad ceramic substrate:
Sales of traditional FR4 multilayer circuit boards are expected to decline slightly due to fierce price competition in the market.
- (4) Composite circuit boards:
mainly targeting the power/communication module application market, generally using embedded technology and HDI technology, and are expected to have a significant growth.

3. Consolidated cash flow

(1) Flow analysis for the most recent two years:

Year Item	2024	2023	Increase (decrease) ratio(%)
Cash Flow Ratio	0%	0%	0%
Cash Flow Adequacy Ratio	0%	0%	0%
Cash Reinvestment Ratio	0%	0%	0%

Explanation on the analysis of changes in the increase/decrease ratio: Since the net operating cash flow is negative, the analysis of the cash flow adequacy ratio and cash reinvestment ratio is not applicable.

(2) Cash flow analysis for the next year

Unit: NT\$ thousand

Beginning of year cash balance (1)	Expected net operating activities cash flow for the whole year (2)	Cash (outflow) inflow for the whole year (3)	Cash surplus (deficit) (1)+(2)+(3)	Remedial measures for expected cash shortage	
				Investment	Wealth management
223,681	8,897	47,886	280,464	—	—

1. Analysis of cash flow changes in the coming year

(1) Operating activities: It is estimated that the growth of operating income in 2025 will lead to an increase in accounts receivable and inventory, resulting in a net outflow of funds for business activities.

(2) Investment and financing activities: Capital expenditure is expected in 2025, so investment and financing are net cash outflows.

2. Remedial measures and liquidity analysis for expected cash shortage: None.

4. The impact of major capital expenditures on financial operations in the most recent year:

The Company has no capital expenditures exceeding 5% of the paid-in capital or in the amount of NT\$ 100 million or more in the most recent year.

5. The reinvestment policy for the most recent year, the main reasons for its profit or loss, and the improvement plan and investment plan for the next year:

(1) Reinvestment policy for the most recent year: The Company's reinvestment policy is based on improving its own products and market competitiveness in order to increase investment returns.

(2) Analysis for reinvestment profitability

Dec. 31, 2024

Item \ Description	Carrying amount	Policy	Main reasons for profit or loss	Improvement plan	Investment plan for the coming year
PSC ENTERPRISE CO., LTD.	50,095	Trading	Profit from trading	Continue to develop new clients to increase profitability.	Examine the market and industrial development situation to evaluate and adjust in a timely manner.
Enrich Nationals Trade Limited	19,420	Holding and trading	Recognized in the income of reinvesting in GIA TZOONG (ShenZhen) Ltd.		
Puyu Investment Co., Ltd.	24,508	Investment in real estate	Disposal of investment income		
PSC (H.K.) ELECTRONICS LIMITED	6,324	Sales base	Profit from trading		
GIA TZOONG (ShenZhen) Ltd.	17,034	Sales base	Profit from trading		

6. Risk items should be analyzed and evaluated for the following matters in the most recent year and as of the printing date of the annual report:

(1) The impact of changes in interest rates, exchange rates, and inflation on the Company's profit and loss and future response measures:

1. Changes in interest rates

Item	2024		2023	
	Amount	Ratio to revenue	Amount	Ratio to revenue
Interest income	12,638	2.62%	16,587	3.34%
Interest expense	(1,024)	-0.21%	(1,241)	0.25%
Sub-total	11,614	2.41%	15,346	3.09%

In 2024, the net interest income and expenses accounted for about 2.41% of the Company's revenue, which was relatively small; the calculation was based

on the changes in the fair value of fixed-income investments and floating-rate loans at the end of 2024, and it was assumed to be held for one quarter. Every change in interest rate (0.25%) affected profit and loss decrease/increase in the amount of NT\$ (263) thousand / NT\$263 thousand respectively, and thus the impact of interest rate changes on the Company's profit and loss should not be significant. Considering that the Company still needs to invest a large amount of working capital for its future development, in order to avoid future interest rate rises, the Company regularly evaluates bank loan interest rates, and keeps in touch with banks to obtain more favorable loan interest rates, and pays attention to changes in interest rates to obtain the best capital cost.

2. Exchange rate fluctuations

Item	2024		2023	
	Amount	Ratio to revenue	Amount	Ratio to revenue
Gain on exchange	20,587	4.27%	3,377	0.68%
Loss on exchange	-	0.00%	-	0.00%
Sub-total	20,587	4.27%	3,377	0.68%

About 23% of the Company's product sales revenue is denominated in foreign currency, and some raw materials, machinery, and equipment purchases are also denominated in foreign currency. The foreign currency assets and liabilities are offset against each other, resulting in a natural hedging effect. For the difference, the Company takes hedging transactions (such as forward foreign exchange) when necessary to avoid the risk of exchange rate fluctuations; or in order to avoid the decrease in the value of foreign currency assets and the fluctuation of future cash flow due to exchange rate changes, we use short-term borrowings to avoid exchange rate risks. Financial personnel collect information about exchange rate changes at all times and refer to financial and fiduciary information provided by banks and investment institutions to grasp exchange rate dynamics in real time and adjust foreign currency positions held at any time.

The exchange rate has a clear risk-avoiding foreign exchange operation strategy and a strict control process to monitor changes in foreign exchange, and manage foreign currency positions well to reduce the impact of exchange rate changes.

3. Inflation

Inflation in recent years has had no significant impact on the Company's profit or loss. Recently, the price of raw materials has risen due to the shortage of raw materials. The Company always observes the price fluctuation of raw materials in the market, and maintains a good interactive relationship with suppliers and clients to reduce the impact of inflation.

(2) Policies for engaging in high-risk, high-leverage investments, lending funds to others, endorsement guarantees, and derivatives transactions, the main reasons for profits or losses, and future countermeasures:

1. The Company does not engage in high-risk, high-leverage investment transactions.
2. Lending funds to others: Refers to a loan to a company in which the Company reinvests 20% or more of shares, or with which the Company has business dealing where it is necessary for the purpose of short-term financing due to operational turnover needs, and is subject to the "Operational Procedures for

Loaning Funds to Others” formulated by the Company for implementation.

3. Endorsement and guarantee: The counterparty of the Company's endorsement and guarantee is a company that directly and indirectly holds more than 50% of the voting shares, and it will be implemented in accordance with the “Endorsement and Guarantee Guidelines” formulated by the Company.
4. Derivatives trading: The Company has not engaged in derivatives trading. If there is any derivative transaction, it will be executed in accordance with the “Handling Procedures for Acquisition and Disposal of Assets” formulated by the Company.

(3) Future R&D plans and estimated R&D expenses:

1. Future R&D plans

- (1) For hybrid circuit boards, increase product structure changes and expand the market application range.
- (2) Optimize the process conditions for DBC ceramic substrate(AIN) to improve yield and product reliability.

Future R&D plans are as follows:

Main product category	R&D plan name	Mass production schedule	R&D plan content	Key factors for successful R&D	R&D plan current progress	Estimated investment
Hybrid circuit boards	3D stacked circuit boards	2025 Q3	1. Development of high aspect ratio hole filling plating process 2. Development of embedded technology for electronic parts	Feedback on client product verification issues	1. Completion rate 60%	15 million
DBC ceramic substrate (AIN)	DBC process optimization	2025 Q3	1. DBC ceramic substrate (AIN) process optimization 2. Development of AIN surface coating materials	Signed a long-term cooperation agreement with ITRI	1. Completion rate 85%	6 million

2. Estimated research and development expenses: estimated at 3% of Operating revenues revenue.

- (4) The impact of major domestic and foreign policy and legal changes on the Company's finance and business and countermeasures: None.
- (5) The impact of technological changes (including cyber security risks) and industrial changes on the Company's finance and business, and the countermeasures:
 1. The Company keeps abreast of market changes and adjusts product policies, finds out the direction that is beneficial to the Company for sales, responds to technological development and industrial changes, and manages risks well to reduce the impact on the Company.
 2. The Company continues to invest resources in information security affairs, and will appropriately increase the budget every year to update and strengthen software and hardware equipment, including firewalls, anti-virus software, anti-hacking and intrusion detection, etc., and actively strengthen the protection of endpoint analysis. In addition, in terms of enhancing information security awareness and personal data protection, the company will comprehensively carry out education and training courses on information and communication security and personal data protection for new recruits, and immediately notify the personnel of the information unit to pay more attention when suspicious emails and behaviors are found, and under the trend of information security environment, the company will join the information security alliance organization (TWCERT/CC) In view of the latest information security risks on the island, the

necessary protection mechanism is carried out, and at present, the Company is committed to investing information security resources, and there is no significant impact on the financial business of the Company due to information security incidents.

3. The analysis of the Company's cyber security risk assessment is as follows:

Information security risk assessment focuses on: (1) information architecture review, (2) network activity review, (3) network equipment, server and terminal equipment testing, (4) website security testing, (5) security setting review, (6) e-mail social engineering drill, (7) remote office information security risk review and other operational items. The main testing items and implementation methods are described as follows:

(1) Information architecture inspection

A. Examine the suitability of the equipment architecture

For the configuration of the network structure, check its adequacy, assess whether there are possible risks, and if so, take necessary countermeasures. Evaluate the security control of various processes in information security management; measure the effectiveness of the current security control mechanism design; and focus on the adequacy of information security management, the rationality of network topology configuration, the current situation of security control of external connection points of firewalls, and network control and management methods of equipment and hosts based on network architecture, host deployment, firewall rules, and authority control mechanisms.

B. Examine the maximum impact and risk bearing capacity of a single point of

failure

Assess whether the impact is within the risk tolerance, and if not, discuss and implement improvement plans.

C. Examine the appropriateness of the relevant measures taken for continuous

operation

Check whether there is a single point of failure risk in the structure and maintenance mechanism of relevant measures, conduct risk analysis on the suitability of business continuity, and propose the results and suggestions of information architecture security assessment.

(2) Network activity inspection

A. Examine device access records and account permissions

Check whether the access records of network equipment, information security equipment and servers, and the granting and monitoring mechanism of account permissions comply with the internal control operation rules; check the account permissions and access records of these devices based on the principle of least privilege; identify abnormal records and confirm alert mechanism.

B. Examine the monitoring records of information security equipment

Confirm the correctness of relevant settings of information security equipment (such as firewalls, intrusion detection systems, anti-virus software), review information security event monitoring records, process procedures for sending alarm messages, identify abnormal records and confirm alarm mechanisms, and ensure the effectiveness of monitoring mechanisms.

C. Examine the connection of network packets

Deploy network traffic packet skimming tools (such as: Riverbed, NIKSUN) to capture internal network traffic, check whether there are abnormal connections in network packets or abnormal domain name

resolution servers (Domain Name System Server, DNS Server) query, collect the connection records of the network gateway firewall and proxy server, analyze and compare whether the internal host has a connection to the relay station or conforms to the characteristics of malicious network behavior.

(3) Detection of network equipment, servers, terminals and other equipment

A. Vulnerability scanning and patching

Conduct regular or timely vulnerability scans of network equipment, servers, and terminals, and perform improvements and repairs for the discovered vulnerabilities. Evaluate the scope, operation mode, and vulnerability improvement plan and repair situation of the vulnerability scanning operation, and provide evaluation suggestions based on the scanning results. The focus is to find out possible weaknesses and loopholes in the structure, improve and repair them, and reduce the overall information security risk.

B. Malware detection

Use malicious program detection tools (such as: XecProbe, Fireeye HX) to detect whether there are malicious programs on the terminal and server, including: suspicious programs with malicious behavior, suspicious backdoor programs with unknown connections, implanting one or more important suspicious libraries of system programs, unnecessary unknown system services, hidden unknown programs and hacking tools, etc. The detection work includes: identifying malicious programs, checking the correlation between malicious programs and system records, analyzing the network connection behavior and characteristics of malicious programs, which can be performed in the test and OA environment first, and then deployed to check the operating environment. If any abnormality is found, it must be improved immediately, and a reexamination shall be carried out after improvement.

C. Detection of password and its protection mechanism

Detect the login password of the system account, whether its complexity complies with the principles of internal control norms; check external connections, such as: file transfer (File Transfer Protocol, FTP), database connection, etc., password storage protection mechanism and access control, and check the settings of the relevant rules disclosed above.

(4) Website security detection

A. Penetration testing on the website

collection, information analysis, and target penetration; the execution method simulates hacker attack behavior, and uses security detection tools (such as: Nessus, Nmap, Ixia BreakingPoint) to conduct penetration testing on websites with open external links, so as to discover the weaknesses exposed to the outside world as soon as possible and repairs them.

B. Scan against the website

Conduct vulnerability scanning, program source code scanning or black box testing for websites; use detection tools (such as: WebInspect, Checkmarx) to evaluate website operating systems, website services and applications; identify, track, and repair software source codes in technical and logical aspect security loopholes; truly grasp and improve hidden vulnerability risks and design flaws.

C. Examine the website directory and web page access authority

Check the website directories and webpages that provide services to the outside world to see if the authority recovery and management operations

are actually performed, and correct them if they do not match.

D. Examine the operation status of the authorized connection

Check whether the system has authorized connections being hijacked, a large number of unauthenticated connections consuming resources, database deadlocks, abnormal CPU consumption, unsafe exception handling and unsafe database query commands (including unlimited conditions and unlimited count), etc. Check the website directory permission setting rules and access records, confirm that the database deadlock detection setting is enabled, and check whether the relevant webpage replacement protection and database resource monitoring mechanisms are sound.

(5) Security settings inspection

A. Server security policy setting

Check the settings of the server (such as: domain service active directory) related to “password setting policy” and “account lockout policy”. Through tool analysis and manual operation, check whether the relevant domain security policy settings comply with internal control regulations.

B. Firewall connection settings

Use firewall connection rule management tools (such as: FireMon, tuffin) to check the firewall connection rules, confirm that no security risk or unnecessary communication ports are opened; and check the operation of the firewall, including whether there are security weaknesses in the connection settings, etc.

C. Access restrictions and account management

Check whether the access restrictions of the system (such as: Access Control List) and privileged account management are appropriate; manually check whether the account permission list is consistent with the work item list, and test its related access authority.

D. Software update

Use the asset management system and vulnerability scanning reports to collect update information on Windows, Office, and SQL server, and check the update settings and update status of the operating system, anti-virus software, Office software, and application software to confirm compliance with the current situation.

E. Key storage protection mechanism and access control

Check whether the storage protection mechanism and access control of the key comply with internal control regulations.

(6) E-mail social engineering drill

For information operators, within the scope of internal security monitoring, drill e-mails are sent to test, publicize and strengthen information security education. The main evaluation items are:

A. E-mail content and attachment files

B. Mail delivery time and method

C. E-mail open rate and click-through rate

The goal of follow-up improvement mechanism drills is mainly to let colleagues understand the risks of using e-mails, improve the crisis awareness of colleagues in preventing social engineering attacks, and continue to conduct drills to reduce the risks caused by social engineering attacks, thereby achieving the goal of protecting client data and important operational information and the purpose of services.

(7) Remote office information security risk inspection

The novel coronavirus (COVID-19) pandemic continues to expand, and it is

imperative for companies to provide employees with flexible working methods. The Company has mitigated the impact by canceling overseas business trips and large-scale events, working in different areas and batches, and permitting some employees to work from home. However, opening up remote connections increases the risk of data theft or surveillance. When the Company establishes the “remote work” mechanism, it is necessary to strengthen the information security protection of “network security, equipment monitoring, data protection, and platform confidentiality” in order to prevent the spread of the pandemic and maintain the Company's operations. New thinking for emergency management in three aspects: In the face of global mobilization for pandemic prevention, companies should optimize emergency management thinking in terms of “technology, process, and personnel” to improve the effectiveness of the Company's network security protection strategy.

A. Technical aspect: strengthen the network monitoring mechanism

The “Firewall” is the first barrier in place the Company’s network protection plan. In addition to setting device or IP restrictions, it should also monitor, intercept and analyze the traffic of remote work; since the Company has built a virtual private network (VPN), it should also be examined whether a dedicated encrypted channel needs to be established, and the encryption strength and certificate management should be confirmed. However, in the face of the shortage of manpower and resources of the Company during the pandemic, it is suggested that the Company can use external risk consultants to strengthen the effectiveness of information security protection measures.

B. Process aspect: multi-layer access and emergency response

The looser the access authority setting, the greater the convenience for employees, but the risk of data leakage also increases. It is recommended to establish a multi-level access mechanism based on the level of data alertness and urgency, and introduce a springboard mechanism (such as restricting external remote end-to-end connection is limited to the relay personal computer host connected to the office network segment) and strengthened authentication. At the same time, the Company should plan the abnormal event response process in advance, and strengthen external communication with employees to take into account the Company's operations and information security protection.

C. Personnel aspect: strengthen cyber security awareness

When a disaster occurs, unscrupulous people may take advantage of the chaos to launch malicious attacks. Therefore, safety awareness promotion in emergencies is extremely important. The Company should train employees to have the ability to protect data assets and identify security threats and high-risk behaviors. Since the current pandemic situation is under control and has not caused community infection, the Company should prepare emergency response measures based on work types and risk tolerance. It is not recommended that significant changes be made to the structure.

Conclusion of information security risk assessment

The popularization of the network environment and the convenience of the open network system has led to more and more network-based applications. However, malicious attack methods are changing with each passing day. For network service providers and users, it is always necessary to prevent and respond to the trend, and the information departments of various companies are also facing unprecedented challenges in information

security protection. For this reason, the information security risk assessment operation has become increasingly important and practical. Through the implementation of various testing items, the gap between the system and the requirements of internal control security regulations is analyzed to reveal the hidden risks of the system under the existing network security framework. Based on this improvement, the risk is minimized to maintain the safe and continuous operation of the system. Therefore, under the implementation of the above evaluation points, the Company's information security has no immediate information security risk hazards.

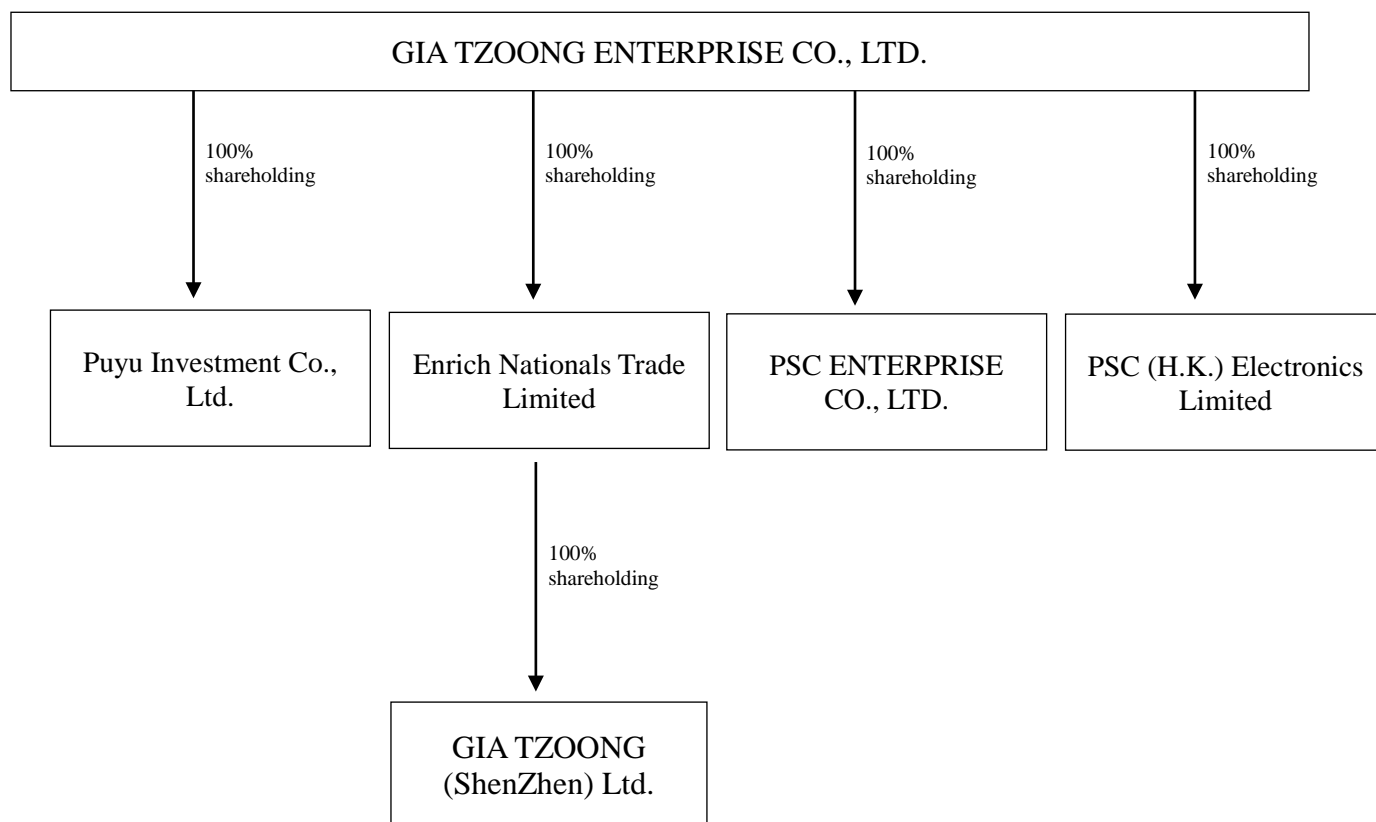
- (6) The impact of corporate image changes on corporate crisis management and countermeasures: None.
 - (7) Expected benefits, possible risks and countermeasures of mergers and acquisitions: None.
 - (8) Expected benefits, possible risks and countermeasures of plant expansion: None.
 - (9) Risks and countermeasures faced by concentrated purchase or sales: The Company has never purchased or sold 30% or more of its revenue or net purchases. The Company actively researches and develops customized products, develops clients in related industries at home and abroad, so as to diversify revenue sources and reduce the risk of being affected by a single client's prosperity.
 - (10) Directors, supervisors, or major shareholders holding 10% or more of the shares, the impact and risk of a large number of equity transfers or replacements on the Company, and the countermeasures: We keep track of directors, supervisors, or shareholders holding 10% or more of the shares. There has been no large-scale transfer or replacement of equity in recent years, so there is no significant impact on the Company.
 - (11) The effect, risk and countermeasures of the change of management right on the Company: None.
 - (12) Litigation or non-litigation events:
 - 1. Major litigation, non-litigation or administrative litigation events that have been determined or are still in the process of being decided or are still in the company's latest year and as of the date of printing of the annual report, the outcome of which may have a significant impact on shareholders' rights and interests or securities prices: None
 - 2. The directors, supervisors, general managers, substantive responsible persons, major shareholders holding more than 10% of the shares and subordinate companies of the company in the most recent year and as of the date of printing of the annual report, have been determined or are still in the process of major litigation, non-litigation or administrative disputes, the results of which may have a significant impact on shareholders' rights and interests or securities prices: None.
 - (13) Other important risks and countermeasures: None.
7. Other important matters: None.

VI. Special Disclosure

1. Information regarding the Company's affiliates

(1) Consolidated business report of the Company's affiliates

1. Organization Chart of the Company's affiliates:



2. Profiles of the Company's Affiliates

Company Name	Date of Establishment	Address	Paid-in Capital	Major business or production items
PSC ENTERPRISE CO., LTD.	July 5, 2011	Unit 25, 2nd Floor, Nia Mall, Saleufi Street, Apia, Samoa.	US\$9,725,000	Trading on PCB
PSC (H.K.) Electronics Limited	Dec. 10, 2010	Room 1204, Yu Sung Boon Bldg., 107-111 Des Voeux Road Central, Hong Kong	US\$10,000	Trading on PCB
Enrich Nationals Trade Limited	Jan. 28, 2008	FLAT/RM 6 16/F WORKINGBOND COMMERCIAL CENTRE 162-164 PRINCE EDWARD ROAD WEST MONGKOK	HK\$1,106,222	Trading on PCB
GIA TZOONG(ShenZhen) Ltd.	July 17, 2019	3F, No. 3 Hengchang Rd., Xinsheng Community, Longgang Block, Longgang District, Shenzhen	US\$140,000	Trading on PCB
Puyu Investment Co., Ltd.	Mar. 2, 2018	No. 39-4, Xingbang Rd., Dalin Village, Taoyuan District, Taoyuan City	NT\$20,000,000	General investment and real estate rental and sales

Note 1. The exchange rate on the balance sheet day was as follows: US dollar (USD) 1 = NT\$32.785, Renminbi (RMB) 1 = NT\$4.5608.

3. If it is presumed to have a relationship of control and subordination, information on the same shareholder: None.
4. The industries covered by the businesses operated by the whole affiliated companies mainly include:
 - (1) Main business: manufacturing, processing, and trading of printed circuit boards.
 - (2) General investment and real estate trading business.

5. Information on directors, supervisors and presidents of each affiliate

Unit: shares; %

Company Name	Title	Name or Representative	Shareholdings	
			No. of shares	Shareholding ratio
PSC ENTERPRISE CO., LTD.	Director	Representative person of GIA TZOONG ENTERPRISE CO., LTD.: Cheng An Investment Co., Ltd.-TSENG CHI LI	9,725,000	100%
PSC (H.K.) Electronics Limited	Director	Representative person of GIA TZOONG ENTERPRISE CO., LTD.: Cheng An Investment Co., Ltd.-TSENG CHI LI TSENG CHI LI	10,000 —	100% —
Enrich Nationals Trade Limited	Director	Representative person of GIA TZOONG ENTERPRISE CO., LTD.: Cheng An Investment Co., Ltd.-TSENG CHI LI TSENG CHI LI	1,106,222 —	100% —
GIA TZOONG(ShenZhen) Ltd.	Director	TSENG CHI LI	—	—
Puyu Investment Co., Ltd.	Director	Representative person of GIA TZOONG ENTERPRISE CO., LTD.: TSENG CHI LI	2,000,000	100%

6. Business operations of each affiliate:

Unit: NT\$ thousand , Earnings (loss) per share (NT\$)

As of Dec. 31, 2024

Company Name	Capital	Total assets	Total liabilities	Net Worth	Operating revenue	Operating profit	Profit or loss for the current period (after tax)	Earnings per share (loss)(NT\$)
PSC ENTERPRISE CO., LTD.	329,006	77,786	27,691	50,095	77,008	5,096	7,132	0.73
PSC (H.K.) Electronics Limited	7,142	10,140	3,816	6,324	16,111	916	1,103	Not applicable
Enrich Nationals Trade Limited	4,536	19,420		19,420		-85	7,846	Not applicable
GIA TZOONG(ShenZhen) Ltd.	4,339	29,481	12,446	17,034	43,321	7,920	7,826	Not applicable
Puyu Investment Co., Ltd.	20,000	24,994	486	24,508	0	-148	177	0.09

Note 1: The exchange rate on the balance sheet was as follows: US dollar (USD) 1 = NT\$32.785, Renminbi (RMB) 1 = NT\$4.5608. The exchange rate on the profit and loss statement was as follows: US dollar (USD) 1 = NT\$32.112, Renminbi (RMB) 1 = NT\$4.5099.

(2) Consolidated financial statements of Company Affiliates:

Please refer to the EMOPS/PSC(5355)/Electronic Books

https://doc.twse.com.tw/pdf/202404_5355_AI1_20250328_132008.pdf

(3) Relationship report: Not applicable

2. Private placement of securities in 2024 and up to the date of publication of the annual report: None
3. Other necessary supplementary notes: None

VII. Any matter in the most recent year and up to the date of publication of the annual report which has a significant impact on shareholders' equity or securities prices as stipulated in subparagraph 2 of paragraph 3 of Article 36 of the Securities and Exchange Act: None

GIA TZOONG ENTERPRISE CO., LTD

Chairman: Cheng An Investment Co., Ltd. - TSENG CHI LI